DOCUMENT RESUME

ED 431 918 CE 078 935

AUTHOR	Hickok, Thomas A.; Hickok, Thomas A.
TITLE	Workforce Reductions. An Annotated Bibliography.
INSTITUTION	Center for Creative Leadership, Greensboro, NC.
ISBN	ISBN-1-882197-52-6
PUB DATE	1999-00-00
NOTE	102p.
AVAILABLE FROM	Center for Creative Leadership, P.O. Box 26300, Greensboro, NC 27438-6300; Tel: 336-286-4480; Fax: 336-286-3284; Web site: http://www.ccl.org ($20).
PUB TYPE	Reference Materials - Bibliographies (131)
EDRS PRICE	EDRS Price MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS	Adult Education; Annotated Bibliographies; Coping; Decision Making; Dislocated Workers; Dismissal (Personnel); *Employee Attitudes; *Employer Attitudes; *Employer Employee Relationship; *Employment Practices; Group Dynamics; Job Layoff; *Labor Force; Labor Turnover; Literature Reviews; Organizational Climate; *Reduction in Force; Strategic Planning

ABSTRACT

This report, which is based on a review of practitioner-oriented sources and scholarly journals, uses a three-part framework to organize annotated bibliographies that, together, list a total of 104 sources that provide the following three perspectives on work force reduction issues: organizational, organizational-individual relationship, and individual. Part 1 includes annotations of 42 articles and books that focus on strategy, policy, and/or decision making. Provided in part 2 are annotations of 43 articles and books devoted to the impact of individual- and group-level thoughts, feelings, and behaviors on organizational functioning before, during, and after the downsizing process. Part 3 contains 19 annotations of articles and books that concentrate on the effects of job loss on individuals, including the perceived threat of job loss, with special attention on the ways job loss affects personal well-being and the different ways different individuals cope with job loss. Appended is a list of 101 bibliographic entries referring to articles that have been deemed not directly within the purview of the review but nevertheless valuable resources for further reference. Author and title indexes are included. (MN)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED 431 918

Thomas A. Hickok

WORKFORCE REDUCTIONS

AN ANNOTATED BIBLIOGRAPHY

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

M Moorehead

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

2B

CE078935

CENTER FOR CREATIVE LEADERSHIP

BEST COPY AVAILABLE

WORKFORCE REDUCTIONS

AN ANNOTATED BIBLIOGRAPHY

Thomas A. Hickok

Center for Creative Leadership
Greensboro, North Carolina

The Center for Creative Leadership is an international, nonprofit educational institution founded in 1970 to advance the understanding, practice, and development of leadership for the benefit of society worldwide. As a part of this mission, it publishes books and reports that aim to contribute to a general process of inquiry and understanding in which ideas related to leadership are raised, exchanged, and evaluated. The ideas presented in its publications are those of the author or authors.

The Center thanks you for supporting its work through the purchase of this volume. If you have comments, suggestions, or questions about any Center publication, please contact John R. Alexander, President, at the address given below.

Center for Creative Leadership
Post Office Box 26300
Greensboro, North Carolina 27438-6300

Center for
Creative Leadership

leadership. learning. life.

©1999 Center for Creative Leadership

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the publisher. Printed in the United States of America.

CCL No. 344

Library of Congress Cataloging-in-Publication Data

Hickok, Thomas A.
Workforce reductions : an annotated bibliography / by Thomas A. Hickok.
p. cm.
Includes indexes.
ISBN 1-882197-52-6
1. Downsizing of organizations Bibliography. 2. Downsizing of organizations—United States Bibliography. 3. Plant shutdowns Bibliography. 4. Plant shutdowns—United States Bibliography. 5. Layoff systems Bibliography. 6. Layoff systems—United States Bibliography. I. Title.
Z7164.U56 H53 1999 HD58.85
016.33125'96—dc21 99-30191
CIP

Table of Contents

Preface vii
Introduction 1
Organizational Perspective 3
Annotations 5
Organizational-Individual Relationship Perspective 33
Annotations 35
Individual Perspective 65
Annotations 66
Appendix 79
Author Index 85
Title Index 87

Preface

In 1993, David Noer, then Vice President for Training at the Center for Creative Leadership, published *Healing the Wounds: Overcoming the Trauma of Layoffs and Revitalizing Downsized Organizations* (Jossey-Bass). Subsequently, I pursued dissertation research modeled on Noer's work. This work, conducted in collaboration with the Department of Defense Civilian Personnel Office, involved extensive interviews and follow-up surveys with white-collar and blue-collar civilian workers at the Norfolk Naval Shipyard and Wright-Patterson Air Force Base.

In the course of this research, I became involved with the Center for Creative Leadership as an adjunct research associate. I worked with Dianne Young on the analysis of extensive "before" and "after" interview data collected from participants in CCL's "Leading Downsized Organizations" program.

It became evident that the books and articles I had collected for my dissertation and for the research at CCL represented a body of knowledge on effects of downsizing that was missing from the general literature. The summaries of selected works from that body of knowledge are presented here.

I would like to express my deep gratitude to CCL for the opportunity to publish this report. In particular, thanks go to David Noer, whose own path-breaking research provided the inspirational example. Thanks also to Dianne Young, a wonderful colleague and friend, who gave me the idea for this report and convinced CCL it was worthwhile. Marcia Horowitz was as patient an editor as any writer has reason to expect. Kinsey Gimbel was indispensable in making the report current with additional annotations. And finally, Peter Scisco shepherded this report into publication. Thank you all.

I dedicate this report to my dear, sweet girls—Charlotte (age 7) and Mary (age 5).

Introduction

Workforce reductions have become a fact of American working life and business management in both the public and the private sector. Organizations continue to reengineer and restructure themselves to meet the competitive demands of a global economy, and reductions in the workforce are often a byproduct of those strategic realignments. Ensuring a successful organizational transition requires that management practices take into account the effect of those reductions on individuals and on the organization itself, and gauge with some precision how those reductions influence the organization's performance for better or worse, affect people who remain in the organization as well as people who leave, and impact both industry and society at large.

Thus, it is important for practitioners who have observed workforce reductions (commonly referred to as "downsizing") and their effects on organizations and individuals to understand the prevailing thinking surrounding the issues if they want to avoid kindling a climate of fear that can threaten reengineering efforts. The purpose of this report is to enhance that understanding by providing annotations that represent a selection of the current literature available on workforce reductions.

The articles and books reviewed for this report were in both practitioner-oriented sources such as magazines and popular books, as well as scholarly journal articles. The works from a substantial number of key contributors to the literature of downsizing are included. Sources were selected for annotation based upon their perceived relevance to the body of literature, their unique or differing perspective, and their general interest.

This report uses a three-part framework to organize the annotations so as to provide practitioners with ready access to those sources dealing with particular workforce reduction issues. The three parts act as lenses to focus the literature on key areas of study and concern:

- Organizational perspective—articles and books with a focus on strategy, policy, or decision-making.
- Organizational-individual relationship perspective—articles and books that look primarily at the impact of individual- and group-level thoughts, feelings, and behaviors on organizational functioning before, during, and after a downsizing process.
- Individual perspective—articles and books that concentrate on the effects of job loss, including the perceived threat of job loss, on individuals.

Introducing each of these sections, I note the key themes prevailing in the relevant selected literature and connect the works to those themes. As to the annotations themselves, in order to understand the selected books and articles, both on their own terms and in reference to other literature, I looked to several key issues, including: the purpose of the work, as related to the three perspectives outlined before; the theory or narrative expressed in the work and the manner in which that theory or narrative informs the three perspectives of my outline; and the overall contribution that the work makes to the literature of downsizing.

In addition to these annotations, the report uses an Appendix to collect references for a number of other books and articles that, though relevant to the subject of workforce reductions, did not completely fit the criteria for inclusion.

Organizational Perspective

An organization's response to downsizing encompasses the strategies used in forming an approach to policy decisions when confronted with workforce reduction issues. The annotations collected under this banner focus on that organizational response. A key point in the literature is that head-count reductions should only be one part of the downsizing puzzle—preferably the last part. Before taking that step, companies should reevaluate organizational priorities, review core competencies, look to possible organizational redesign, and operate under a "rightsizing" (as opposed to downsizing) philosophy. The annotations that address these areas follow:

The focus of a workforce reduction effort should begin with and remain on organizational purpose (Behn, 1980b; Heckscher, 1995; Knowdell, Brunstead, & Moravec, 1994; Kochanski & Randall, 1994; Lundquist, 1992).

Downsizing should be proactively prepared for, with prior analysis, knowledge of mission and competencies, as well as specific goals (Cameron, 1994a; Cameron, 1998; Cameron, Freeman, & Mishra, 1991; Cascio, 1993; Keidel, 1994; Womack & Jones, 1994).

Work processes need to be redesigned, with an eye toward improved quality (Cameron, 1994a; Cameron et al., 1991; Cascio, 1993; Keidel, 1994; Womack & Jones, 1994).

The organization's long-term strategic needs are critical and should carry as much weight as, and be balanced by, the company's short-term operational needs (Greenhalgh, McKersie, & Gilkey, 1986; Hamel & Prahalad, 1994; Hitt, Keats, Harback, & Nixon, 1994; Tylczak, 1991).

A second key theme in the works that address downsizing from the organizational perspective is that careful planning cannot be overemphasized. The literature views downsizing efforts as a complex process involving an array of decisions. Within the scope of that view, several points are made:

Companies should plan the implementation of a downsizing in detail and engage people at all organizational levels in the planning process (Cascio, 1993; Greengard, 1993; Hardy, 1990; Hirschorn & Gilmore, 1992; Keidel, 1994; Knowdell et al., 1994; Tornow, 1988; Train, 1991; Tylczak, 1991).

Organizations should search for ways to avert large-scale layoffs (Feldman & Leana, 1994; Greenhalgh, 1983; Greenhalgh & McKersie, 1980; Greenhalgh et al., 1986; Hardy, 1990).

Voluntary incentives have advantages over involuntary departures when reducing workforces (Balkin, 1992).

BEST COPY AVAILABLE

Companies should include all organizational levels in any reduction effort (Keidel, 1994), *and use some "across the board" cuts for the appearance of even-handedness* (Biller, 1980) *and for capturing the attention of people in the organization* (Cameron et al., 1991).

A "safety net" (retraining, outplacement, severance) for displaced employees benefits the organization during and after a downsizing effort (Feldman & Leana, 1994; Gowing, Kraft, & Quick, 1998).

Annotations

Balkin, D. B. (1992). Managing employee separations with the reward system. *Academy of Management Executive, 6*(4), 64-89.

The purpose of the article is to describe how pay and benefit policies can be designed in order to encourage appropriate voluntary separations during organizational downsizing. The theory explicated here is that legal constraints make it increasingly difficult to terminate employees involuntarily. Balkin cites The Age Discrimination in Employment Act, The Worker Adjustment and Retraining Notification Act, and the tendency of courts and state laws to be more supportive of employee rights.

He also discusses voluntary separations as a reasonable alternative to forced exits. Organizations can encourage early retirements by allowing benefits to accrue at an earlier age or with fewer years of service; by offering a lump-sum payout; and/or by extending the eligibility for health benefits. For organizations seeking to reduce younger, less senior employees, lump-sum cash payments based on tenure and offers of outplacement assistance are viable options.

Balkin cautions that severance plans need to be carefully designed to avoid the loss of people with skills critical to the organization's future.

* * *

Behn, R. D. (1980a). Leadership in an era of retrenchment. *Public Administration Review, 40,* 603-604.

This article is an introductory piece to several articles (Behn, 1980b [see annotation below]; Biller, 1980 [see annotation on p. 6]; Wilburn & Worman, 1980 [see annotation on p. 31]) that address key issues affecting public management in times of "cutbacks." Among these issues are: (1) allocation of scarce resources, (2) maintaining a sense of purpose, (3) attracting and motivating a high-quality workforce, and (4) educating the public about governmental realities.

* * *

Behn, R. D. (1980b). Leadership for cut-back management: The use of corporate strategy. *Public Administration Review, 40,* 613-620.

This article addresses the need for government organizations to develop an explicit organizational strategy in the face of the need to retrench. Behn conceptualizes "strategy" as encompassing a mesh of purposes, plans, and resources.

A fundamental premise of Behn's argument is that retrenchment involves an organization becoming smaller and doing less but at the same time remaining effective. Effective leadership in retrenchment requires a willingness, first, to educate the organization's key constituencies about the need to cut back. Leaders also need to confront the political conflict that cutting back entails; Behn prescribes an "active and intrusive" leadership style. Finally, Behn sees a decline in morale as a natural accompaniment to retrenchment, and argues the need to create (or re-create) a sense of shared purpose in these new circumstances.

Behn makes an interesting distinction between short-term cutbacks, in which across-the-board "sharing the pain" strategies are very appropriate, and long-term declines in resources, which necessitate hard choices about which priorities to go forward with and which to drop.

• • •

Biller, R. P. (1980). Leadership tactics for retrenchment. *Public Administration Review, 40,* 604-609.

The purpose of this article is to describe approaches to leadership under conditions of retrenchment, which create the possibility of a more positive future for the organization. Biller acknowledges factors that often accompany downsizing, including increased personal resistance and uncertainty as well as decreased organizational flexibility and innovation. He suggests to leaders a number of tactics to improve the chances for a positive outcome. Among these are: (1) separate clearly the processes of retrenchment and adding new funding in order to minimize the ill will of the "losers"; (2) make incentives for retrenchment by rewarding those who downsize effectively; (3) advance general rather than specific reasons for retrenchment, because they are less vulnerable to attack; (4) make some of the cuts "across the board" to increase the perception of fairness; (5) encourage a playful, relaxed, inventive atmosphere at work; and (6) engage customers in deciding what your organization does more of and what it does less of.

• • •

Cameron, K. S. (1994a). Strategies for successful organizational downsizing. *Human Resources Management, 33*(2), 189-211.

This report on a four-year longitudinal study of the downsizing experiences and "best practices" of thirty organizations in the automobile industry is based on the theory that in the past decade, a four-fold paradigm shift has occurred in the theories of organizational performance: (1) from the idea that

"bigger is better" to the idea that smaller, as well as bigger, also means better; (2) from the notion that growth is an everlasting process to the notion that downsizing and decline, as well as growth, are also natural phases of an organization's development; (3) from the notion that "slack" resources allow organizations to remain agile to the notion that tight coupling and nonredundancy, as well as slack resources and loose coupling, are also associated with adaptability and flexibility; and (4) from the idea that congruence of strategy, systems, skills, etc., is essential to organizational effectiveness to the idea that conflict and inconsistency, as well as congruence and consistency, are also indicative of organizational effectiveness.

The study covered the period 1987 through 1990. Each of the thirty organizations downsized during the period of the study. The size of organizations varied from about 100 to over 6,000 persons. Data were collected from the top manager in each organization through periodic interviews (five in the four-year study) and through two surveys, one at the beginning of the study and one near the end. Additionally, a questionnaire was distributed to white-collar employees in the third year of the study. An array of questions was asked in both the interviews and surveys about downsizing strategies, organizational culture, communications, and organizational effectiveness.

Cameron's study revealed a number of factors contributing to organizational effectiveness during a downsizing: (1) systematic analysis in advance of downsizing; (2) gradual, incremental implementation of downsizing; (3) increased communication and participation; (4) advanced level of quality culture (emphasis on continuous improvement); (5) excellence in creative quality; (6) involved customers and suppliers in downsizing; and (7) established own downsizing goals and targets (some of the organizations studied were part of parent organizations).

Factors that had a negative effect on organizational effectiveness were the use of layoffs, attrition, and outsourcing as methods of downsizing. To offset these negative factors, Cameron identifies "best practices" that include an approach to downsizing as a long-term strategy, preparation, knowledge of organization mission and core competencies, involving employees in determining and implementing changes, effective and constant communication about the downsizing process, accessible leadership, and transitional programs both for workers laid off and for those retained.

* * *

BEST COPY AVAILABLE

Cameron, K. S. (1998). Strategic organizational downsizing: An extreme case. *Research in Organizational Behavior, 20,* 185-229. Greenwich, CT: JAI Press.

The reduction of more than 40 percent of the U.S. Army's workforce between 1992 and 1996 is considered an extreme downsizing because it involved not only a cut in staff but also a change in mission and command structure, and was mandated by Congress, an outside authority. To test the hypothesis that the downsizing would negatively affect organizational performance, the author gathered data on one Army Command at the beginning of the downsizing in 1992 and again in 1995. Objective information was collected on organizational effectiveness, senior managers were interviewed, and surveys were distributed to a cross-section of organization members. Contrary to predictions, the author found that, in this Command if not the Army as a whole, downsizing increased organizational effectiveness and improved the members' perceptions of the organization.

The author then developed a list of twelve downsizing strategies that contributed to this Command's positive outcome and fall into two categories: preparation and implementation. The five preparation strategies are: (1) anticipating the mandate to downsize, (2) articulating a vision for the future, (3) identifying core competencies, (4) determining where to target downsizing, and (5) identifying resource requirements. The seven strategies for implementation are: (1) designing a flexible organizational strategy, (2) communicating downsizing strategies, (3) investing in human resources, (4) continuing involvement of employees, (5) involving external customers, (6) preserving employment, and (7) expecting temporary productivity reductions.

Five factors unique to this Command could also have contributed to the positive reaction to the downsizing. First, the Command had extensive experience in Desert Storm that helped them effectively implement the downsizing. Second, the Command ensured it had enough time to fully prepare and implement the plan. Third, the Army has a well-developed method of using planning models that was useful in this situation. Fourth, the Army does more training than almost any other organization in the world, so this Command was well established as a learning organization. Finally, the Command went to great lengths to act as a caring organization that valued employees and treated them as resources, not liabilities.

* * *

Cameron, K. S., Freeman, S. J., & Mishra, A. K. (1991). Best practices in white-collar downsizing: Managing contradictions. *Academics of Management, 5*(3), 57-72.

This report, based on a four-year study of periodic interviews with the top managers of thirty automobile industry organizations, sets out to identify best practices in organizational downsizing. The authors see downsizing as a necessary, even affirmative, approach to an organization's becoming more competitive. The report defines downsizing as the purposeful reduction of workers and distinguishes downsizing from "organizational decline," which involves the involuntary loss of resources.

The study revealed six best practices: (1) Successful downsizing was initiated both from the top down and the bottom up. Leaders initiated the downsizing but included ideas from all levels of the organization in the implementation. (2) The most successful downsizing efforts combined workforce reductions, organizational redesign, and systemic quality improvement. (3) Organizations achieved successful downsizing by paying attention and offering transitional services to workers who lost jobs and by providing training, enhanced communications, and development opportunities to those workers who remained. (4) Successful downsizing involved an attack on internal redundancies and excess cost as well as more generalized reduction efforts. (5) Successful downsizing encompassed both decentralization aimed at greater flexibility and centralization aimed at improved coordination. (6) Successful downsizing was viewed not only as a means to reduce costs but as a proactive approach to quality improvement.

The authors found that only a small handful of the organizations studied approached downsizing in a manner that improved organizational performance. A substantial majority of the organizations reported increased organizational dysfunction and lower employee morale. Although the best practices are marked by apparent contradictions, the authors consider the contradictions illusory and cite the need for a "both/and" point of view rather than "either/or."

* * *

Cascio, W. (1993). Downsizing: What do we know? What have we learned? *Academy of Management Executive, 7*(1), 95-104.

This article, which is based upon a review of literature and a series of informally structured interviews with corporate executives, assesses the financial and human consequences of downsizing and offers some lessons learned.

BEST COPY AVAILABLE

Cascio contends that efforts at organizational downsizing often do not result in the anticipated cost savings and productivity improvements. This is because organizations are often stuck in the hierarchical, command, and control mind-set that led to the need to downsize in the first place. He urges managers to be willing to systematically and fundamentally rethink the way work is accomplished. In order for downsizing to achieve positive results, it should be viewed as a part of an overall plan for continuous improvement.

Cascio acknowledges the presence of feelings of distrust, risk-aversion, and poor morale among survivors of downsizing. He recommends actively engaging people at all levels in the organization in the planning process as the most likely way to avert such feelings.

This article integrates a number of key research findings and presents them in a clear and understandable manner.

* * *

Cascio, W. F., Young, C. E., & Morris, J. R. (1997). Financial consequences of employment-change decisions in major U.S. corporations. *Academy of Management Journal, 40*(5), 1175-1189.

Companies reduce their workforce in order to increase profitability (return on assets) and improve return on their stock, but are these typical results of downsizing? The authors used data from the Standard & Poors 500 to examine 5,479 changes in employment between 1980 and 1994. They examined returns over three years to see long-term effects, and distinguished between companies that only decreased employment and those that also restructured assets. Results show that companies that participated solely in employment downsizing did not show significantly higher returns, but firms that used both employment downsizing and asset restructuring did show higher returns on assets and stocks than other firms in their industries.

The authors note that this study examined returns on a firm level, and not on the strategic business unit level, which might have different results. Regardless, they urge that managers use caution when implementing a downsizing strategy, since it may not have the intended results.

* * *

Feldman, D. C., & Leana, C. R. (1994). Better practices in managing layoffs. *Human Resources Management, 33*(2), 239-260.

The purpose of the article is to use case studies to illustrate "better practices" in how layoffs are handled by organizations. The authors theorize that researchers have come to a common understanding about eight organiza-

tional approaches that are beneficial to those being laid off. Those approaches include advance notice of layoffs, severance pay and extended benefits, outplacement assistance, clear and empathetic communication of layoffs, and others.

To test the theory, the better practices are illustrated through a discussion of particular efforts by General Electric, United Auto Workers/General Motors, International Business Machines, and five other organizations.

The authors cite fourteen elements that make these companies exemplars of better practices. Some of the findings include: many of the organizations actively search for ways to avert or ameliorate layoffs; better companies look at long-term strategic needs as well as short-term operational considerations; better companies elicit the participation of displaced employees in the design and implementation of support programs; and better companies offer training programs that highlight, when appropriate, the need for major career changes.

* * *

Freeman, S. J. (1994). Organizational downsizing as convergence or reorientation: Implications for human resource management. *Human Resources Management, 33*(2), 213-218.

This article posits that downsizing should be purposeful. Based upon the analysis in Cameron et al. (1991; see annotation on p. 9), to which Freeman was a party, downsizing that is simply reactionary in nature (for example, laying off people to cut costs but engaging in no further analysis) is a recipe for disaster. Cameron proposes two ways of thinking about downsizing that are proactive and positive.

The first, "reorientation," involves simultaneous change in many aspects of the organization. Its goal is to radically improve the functioning of the organization. With this strategy, the redesign of the organization drives the downsizing activity. Downsizing can be the vehicle for rethinking the corporation from the ground up. Systematic analysis of structure, processes, jobs, and people is integral to the implementation efforts.

The second, "convergence," is premised upon a philosophy of continuous improvement. Essentially, the organization has decided to do the same things but do them better. Depending on the situation, redesign can drive the downsizing or vice versa. The analysis is systematic but focused upon the particular processes that are being improved in a localized manner.

Freeman does not judge that one of these approaches is "right," the other not, in all cases. Her point is that each has different implications for the

leadership of the organization. In the case of either approach, Freeman stresses the value of communication and participation, as well as an aversion to layoffs as a reduction tactic.

* * *

Geisler, E. (1997). *Managing the aftermath of radical corporate change: Reengineering, restructuring, and reinvention.* Westport, CT: Quorum Books, 240 pages.

Reengineering efforts are a way many firms attempt to organize their work around today's business practices, but these efforts often fail to improve an organization's efficiency. They may fail for any number of reasons—because the organization is poorly prepared, implementation is sloppy, or because the organization is inherently weak—but this failure often causes managers to resort to downsizing to improve profits. Geisler says that downsizing only leads to organizational chaos, and he describes the aftermath of reengineering efforts and the steps needed to clean up the damage and restore balance to the organization.

The "lateral damage" that a reengineering or downsizing can cause includes low morale, declining unit performance, a discrepancy in performance, increased cost in human resources, and threats to core competencies and competitiveness. According to Geisler, cleaning up this damage is a seven-stage process that includes announcing a restoration of stability, naming a leader to the process, assessing the damage, getting middle management to support the program, and establishing the necessary resources. During the reengineering process, it is critical that managers maintain a sense of stability and balance in the firm to avoid alienating workers and damaging the organization.

* * *

Golden, M. A. (1997). *Heroic defeats: The politics of job loss.* Cambridge, England: Cambridge University Press, 216 pages.

Labor unions have played a major role in the economic history of most industrialized nations, largely because of their ability to disrupt the economy with industrial actions. This book uses microeconomics and game theory models to examine how unions and companies interact during periods of large-scale job loss. Golden used available primary and secondary source material to analyze downsizings in the automotive and coal mining industries in the United States, Britain, Italy, and Japan between 1950 and 1985. The case studies show that the desire to preserve jobs is not enough to inspire

unions to strike. Rather, unions resist job losses only if the layoffs threaten the union organization itself.

Game theory assumes that in any game or interaction there are players, strategy, and a payoff. In the downsizings studied here the players are the firm and the union. The firm's strategy is to cut jobs to increase their profits or payoff. For unions, the payoff is generally not the preservation of jobs but the survival of the organization, and union leaders must decide when a strike will achieve this payoff. This theoretical framework explains why industrial actions are most likely to occur when the company has targeted a high number of union activists in layoffs or when a third party is willing to subsidize the strike, making the action less costly and risky for the union.

Golden also theorizes that job losses in the post-war U.S. almost never lead to strikes because most American firms have an established system of seniority that determines what jobs are cut. Seniority tends to protect union stewards from layoffs so the unions involved in these downsizings are not threatened. Most Japanese and European companies do not have a formal seniority system, so downsizings are more likely to threaten unions and lead to industrial actions.

* * *

Gowing, M. K., Kraft, J. D., & Quick, J. C. (1998). *The new organizational reality: Downsizing, restructuring, and revitalization.* Washington, DC: American Psychological Association, 278 pages.

The authors believe that American industry is going through a radical change, which will result in an economy in which workers regularly lose their jobs to downsizings, mergers, and restructuring efforts. In this new economy workers will find new jobs quickly, but the stress of job loss and the continual adjustment to new positions will require organizations to pay more attention to the health and well-being of their employees. This collection of writings is aimed at both the executives and managers who implement downsizings and the health care professionals who treat individuals affected by organizational changes.

Part I addresses the question, "What Is Changing at Work?" Martin and Freeman describe how manufacturing organizations have been transformed by the industry's revolution, brought on by the rise of computer-assisted design. Burke and Nelson argue that organizational restructuring, such as mergers, downsizings, or privatization, often causes decline because these actions can result in underemployment, occupational "locking-in," career entrenchment, and job insecurity. Cascio's article questions the effectiveness

of downsizing, and offers an alternate model in which companies view employees as valued assets.

Part II consists of case studies of best practices in companies forced to downsize or restructure. When AT&T split into three new firms and announced plans to downsize 40,000 workers, they offered generous severance packages and were able to place many workers in positions in the new corporations. Chaparral Steel is an example of continuous improvement. The closing of Williams Air Force Base offers an opportunity to study stress in an organization. A major downsizing in the U.S. Office of Personnel Management forced the organization to manage its work while losing 40 percent of its staff. The final case study describes how customer input was essential in the planning process of the EPA's Office of Human Resources and Organizational Services' restructuring.

Finally, Part III offers advice from practitioners on how to best manage organizational change efforts. Jaffe and Scott emphasize the importance of employee empowerment. Noer offers a strategy for combating "layoff survivor sickness." Healthy organizations, Rosen argues, are those that nurture and develop employees. The book's final chapter describes how Corning, Inc., proactively prevents employee problems through individual and team interventions.

* * *

Greengard, S. (1993, November). Don't rush downsizing: Plan, plan, plan. *Personnel Journal, 72*(11), 64-76.

Planning is absolutely critical to successful implementation of downsizing, according to this article. The author advises companies to build a workforce reduction strategy based on both financial and human resource considerations while the company is still in decent financial health. This proactive approach can result in a company that is more efficient and better able to compete.

The article uses brief case studies to illustrate both successful and unsuccessful tactics. An example of the latter is the voluntary separation program that NYNEX used in the 1980s to cut 9,000 of its 25,000 managerial positions. Generous incentives succeeded in getting the right number of people to leave; however, many of those who left were among the most capable. The company ultimately had to "backfill" 4,000 positions.

An example of a well-planned downsizing effort is New York Telephone's reducing the number of engineers from 500 to 400 in 1992. The company made the business case, notified all 500 employees of the planned

reduction, formed a team to update job criteria, created three bands of employees (retained, eligible for voluntary severance, and at-risk), engaged in a process review (including legal considerations), provided sixty days' notice about the downsizing, and offered severance packages to all workers except those persons in the retained category.

From this example, the author cites several actions that human resource professionals can take to help complete a successful downsizing, including: maintaining good communication, collecting data to indicate potential problems, standing up for equity and fairness, maintaining visibility, monitoring and managing perceptions, and educating workers that restructuring is not a one-time event.

* * *

Greenhalgh, L. (1983). Managing the job insecurity crisis. *Human Resources Management, 22*(4), 431-444.

The purpose of the article is to examine the root causes as well as effects of job insecurity. Managerial implications are discussed as well.

Greenhalgh puts forward a model that posits a self-reinforcing negative chain reaction involving job insecurity and organizational decline. In response to perceived organizational decline and shrinkage, workforce reduction practices, ambiguous information, and a sense that they have little or no control over their job futures, workers experience high levels of job insecurity. The resulting anxiety causes people to be less productive, more inclined to leave the organization at the first opportunity, and more resistant to change. In turn, organizational capabilities erode, perpetuating a harmful cycle.

Greenhalgh contends that the most useful organization response is to make proactive efforts to keep job insecurity from reaching crisis levels. Interventions include: (1) organize hiring practices that reduce the need for involuntary separations (e.g., use of attrition); (2) conduct whatever layoffs are needed at one time, and then guarantee job security to those remaining; (3) provide job rights based on seniority or merit, which insulate a significant segment of the workforce from objective concern of job loss; (4) combat the "rumor mill" with comprehensive communicating; (5) enable employee involvement in important decision-making processes; (6) provide advance notice of termination; and (7) provide assistance to those who get laid off.

* * *

Greenhalgh, L., & McKersie, R. B. (1980, November-December). Cost-effectiveness of alternative strategies of cut-back management. *Public Administration Review, 40,* 575-584.

This article examines how government agencies achieve workforce reductions. Typically, the authors say, the strategies chosen involve either the use of layoffs or planned attrition. The authors contend that layoffs entail a number of harmful side effects and hidden costs that make layoffs *less* cost effective than attrition under most circumstances.

To illustrate their point, the authors present simulated savings and cost data for a reduction in force of a New York State agency. Among the costs of a layoff the article includes loss due to good workers leaving voluntarily, lost productivity due to worker anxiety, increased unemployment expenses, lost tax revenues, and losses due to increased alcohol abuse. In the hypothetical example, the net savings were substantially greater following a strategy of planned attrition.

The authors suggest the need to test their findings to see if they can be generalized to other state agencies as well as federal and municipal government agencies.

* * *

Greenhalgh, L., McKersie, R. B., & Gilkey, R. W. (1986). Rebalancing the workforce at IBM: A case study of redeployment and revitalization. *Organizational Dynamics, 14*(4), 30-47.

The article presents a case study of the response to a work downturn at IBM's Burlington, Vermont, semiconductor manufacturing plant. The authors see the IBM response as a contrast to the more usual organizational reaction to a workforce reduction. The authors contend that IBM reaps long-term rewards, measured in terms of a capable and committed workforce, in return for its efforts to provide its workers with employment security even during times when business is down.

The authors describe an approach that balances short-term operating requirements with long-term strategic goals. IBM used the pressures of a short-term reduction in demand to realize long-term improvements in plant efficiency. The human resource strategy involved a hierarchy of workforce reduction tactics, ranging from discontinuing temporary employment and overtime to harsher strategies (some of which never had to be implemented), including involuntary relocation of workers to other plants.

A major feature of the IBM plan was to encourage a shift of workers from indirect work to direct work. Analysis had indicated that, to be competi-

tive in the long term, IBM had to reduce its indirect cost structure. IBM asked for volunteers to convert from indirect to direct assignments, guaranteeing them the opportunity to return to an indirect job after about one year if they wished.

Communications were seen as key, and multiple channels were used to help workers understand IBM's situation and response. It helped that IBM had already institutionalized such channels as employee surveys and a management "open door" policy to get employee input on a continuing basis. Attention was also given to fairness considerations in terms of "sharing the pain" for the changes.

The IBM Burlington plant successfully picked up new orders and was able to capitalize on the commitment and goodwill that IBM's strategic response had engendered.

* * *

Gurin, L. (1998). Bouncing back from downsizing. *The Journal for Quality and Participation, 21*(5), 24-29.

This article describes a study that judged the practices of ten large companies that downsized successfully in the early and mid-1990s. The author first identifies three major phases in downsizing and recovery. In the first stage, strategic planning, organizations must identify the rationale for downsizing and communicate overall goals and vision. The second stage, planning for downsizing and restructuring, involves organizing outplacement resources and developing a comprehensive plan. During implementation and recovery, the third stage, the author encourages organizations to give laid-off employees generous notice, to provide support for both former employees and survivors, and to focus on the future.

Seven best practices from the organizations studied are described: (1) emphasize business vision, mission, strategy, and goals; (2) lead change, don't just manage it; (3) communicate, communicate, communicate; (4) focus on people; (5) nurture partnerships and participation; (6) start planning for restructuring when planning for downsizing; and (7) adhere to standards and statements.

* * *

Hamel, G., & Prahalad, C. K. (1994, July-August). Competing for the future. *Harvard Business Review*, pp. 122-128.

The primary thesis in this article proposes that managers spend time shoring up their present situation, through restructuring and reengineering, at

the expense of time spent determining core competencies and organizing around them for the future. In taking this position, the authors propose three questions that they argue must be answered by managers who are reengineering companies to make them better competitors: (1) What percentage of your time is spent on external rather than internal issues? (2) Of the time you spend looking outward, how much time do you spend thinking about how the world may change in five or ten years? (3) Of the time you spend looking outward and forward, how much time do you spend with colleagues to build a deeply shared, well-tested view of the future?

The authors do not question the legitimacy of downsizing; however, they think that more effort and energy should go to the benefit (as opposed to the cost) side of the equation. In other words, efficiency goals must take into account more fully the benefits a company is likely to reap from restructuring.

Further, the authors argue that restructuring wreaks havoc upon employee morale and passes the costs of lost jobs to society at large. The article suggests that developing an approach toward the future should not be a one-time effort, after downsizing has failed, but remain an ongoing debate at the heart of an organization's strategic planning.

* * *

Hardy, C. (1990). *Strategies for retrenchment and turnaround: The politics of survival.* Berlin, NY: W. DeGruyter, 222 pages.

Hardy proceeds from the assumption that "retrenchment" (her term for downsizing) is usually motivated by economic circumstances but that successful handling of downsizing requires careful attention to political dimensions. When the goal of an organizational retrenchment effort is to improve the viability of the organization overall, Hardy contends, the strategy for managing that process should accommodate both economic and political purposes.

Hardy uses a case study approach to describe the downsizing processes in nine organizations, representing both public and private sectors within Canada and England. Her data collection methodology includes interviews and reviews of relevant documentation.

Hardy suggests that organizations wishing to implement downsizing initiatives while keeping resistance to downsizing low should attend to eight key factors. These include: (1) create awareness of the need for downsizing, as well as an understanding of its complications, among those responsible for implementation; (2) start planning early to allow time for considering alternatives to layoffs (attrition, work-sharing, early retirement, voluntary sever-

ance); (3) involve employee representatives in the planning process; (4) consider issues of fairness, such as how union workers are treated in comparison with non-union workers; and (5) carefully consider where to place the blame for cutbacks because choosing a scapegoat outside of management may be feasible but may also have unintentional adverse consequences.

Hardy advocates a strong role for the human resources function in the implementation of retrenchment initiatives. She sees HR departments as natural advocates for the kind of approaches that will more likely lead to sustained recovery of the organization's long-term prospects.

* * *

Heckscher, C. (1995). *White-collar blues: Management loyalties in an age of corporate restructuring.* New York: Basic Books, 240 pages.

The purpose of this book is to examine the changing nature of the employment relationship in today's world. The focus is on people in middle-management positions who, Heckscher contends, have been most hard hit by the massive downsizing in corporations across the United States.

Heckscher's primary proposition is that traditional white-collar employment relationships have been based on the paternalistic ethic, which he describes as a trade of loyalty to the company in exchange for a secure employment relationship. His view is that corporations need to move beyond relationships based on loyalty to relationships based on what he calls a "community of purpose."

Hecksher conducted loosely structured interviews with over 250 middle-level managers in an array of companies across the United States. He found confirmation for his theory in the interview findings, and urges corporations and individuals to shift their thinking about employment relationships from relationships based on dependence and loyalty to relationships built upon professionalism and commitment.

Based on the author's argument, practical implications for companies include the need to clarify the organizational mission, structure how work gets done around the mission, encourage employees to develop general knowledge and skills that could be transferred to other organizations, and establish portable benefits (such as retirement funds).

Heckscher feels that employees must take responsibility for their own careers. He suggests that, among other strategies, workers take on a general awareness of the business world and build portable skills; build a network of professional contacts, through participation in associations or other means,

that can increase mobility, especially in the event of a job search; and establish personal savings funds to prepare for the contingency of layoffs.

* * *

Heenan, D. A. (1989, November-December). The downside of downsizing. *The Journal of Business Strategy*, pp. 18-23.

The author argues that the planned-for benefits of downsizing very often do not materialize. He sees five conditions that are essential to downsizing successfully: (1) leadership should assess the strength of its commitment to downsizing—both management style and corporate culture should be considered; (2) be selective in choosing the areas within the company to downsize; (3) put appropriate cost monitoring systems in place; (4) spend corporate resources on people (those let go and those retained) before boosting expenditures on new technology; and (5) consider restructuring to be, at minimum, a five-year process.

* * *

Hirschorn, L., & Gilmore, T. (1992, May-June). The new boundaries of the "boundaryless" company. *Harvard Business Review*, pp. 104-115.

Hirschorn and Gilmore advance the argument that as organizations become more flexible, the traditional boundaries of hierarchy, function, and geography are replaced with a new set of boundaries that exist inside the heads of managers and employees. These boundaries are the product of daily interactions among people in organizations. Knowing how to understand and use these boundaries is key to effective leadership in the flexible organization. Managers can learn a great deal from exploring their own feelings about work and the people they work with.

Four boundaries are suggested: (1) the task boundary (tasks have become more specialized, yet there is a need for shared purpose); (2) the political boundary (political relationships are viewed as a natural way to mobilize different interests and perspectives); (3) the identity boundary (people have a multitude of group identities at work); and (4) the authority vacuum (abdication of authority by managers does not lead to more productive teams).

The authors use the case of a downsizing effort to illustrate their view. A human resources vice president faced the need to reorganize the HR function and reduce staff levels by 40 percent. He contained the politics of the situation by organizing his subordinates into two task forces and asking them, under tight time constraints, to present him with several options for how to

change the organization. He did not eliminate politics altogether; instead, he defused the most negative aspects of it by involving his subordinates in the planning of change and treating them with dignity throughout the process. In the end, he selected a plan that contained elements of several of the options presented.

The authors see this as an example of an executive who knew intuitively how to set up appropriate boundary relationships. They suggest that executives must be able to decipher difficult personal relationships and, at the same time, must be able to step outside themselves to view their own reactions in a broad context.

* * *

Hitt, M. A., Keats, B. W., Harback, H. F., & Nixon, R. D. (1994). Rightsizing: Building and maintaining strategic leadership and long-term competitiveness. *Organizational Dynamics, 23*(2), 18-32.

The authors state three purposes for the article: (1) to distinguish "rightsizing" from downsizing, (2) to provide examples of both effective and ineffective organization downsizing practices, and (3) to provide implementation suggestions. The theory put forward is that efforts to downsize or reorganize are not likely to meet with success if the changes are not in line with a vision for the organization's future and/or if the changes do not reflect an accurate assessment of the organization's problems.

The authors define *rightsizing* as "an integrated, internally consistent and externally legitimated configuration of organizational processes, products, and people based on: (1) a shared vision of the organization and (2) a clearly articulated mission and strategy supported by management, well understood by members of the organization, and in which members have a sense of ownership." Rightsizing is distinguished from downsizing in that rightsizing is a proactive rather than reactive process and in that it is a continuous, sustained process rather than a one-time event.

The theory was tested by conducting a study of the Arizona Public Service company (APS), an investor-owned utility company that, between 1988 and 1994, made a number of organizational changes. Additionally, interviews were conducted with executives at sixty-five major U.S. corporations that had recently downsized.

Results revealed that at APS, a reactive downsizing led to very poor outcomes in terms of employee morale and company image. Subsequently, a multiyear strategic improvement effort based upon rightsizing concepts has

yielded positive changes within the organization and improved employee morale.

The executive interviews yielded nine practices that were ineffective in helping to achieve the desired goals and ten practices that were considered effective. The ineffective practices included voluntary early retirement programs; across-the-board layoffs; eliminating training and development activities; overly deep workforce reductions; placing workers in jobs for which they do not have appropriate training; emphasizing employee accountability over employee involvement; expecting the workers who remain to work harder; implementing layoffs on a gradual, incremental basis; and emphasizing high monetary rewards over career development.

Practices that the authors consider generally effective in achieving organizational goals included reducing the number of organizational layers; considering interdependent relationships before cutting positions; seeking the appropriate size of the workforce, rather than focusing on how many jobs can be cut; identifying high-potential managers/leaders and mentoring them toward further development; protecting education and training funds; emphasizing strategic leadership; decentralizing operations and empowering retained workers; emphasizing team development over individual effort; identifying and protecting core competencies; and continuing to apply, and even expand, resources in critical areas.

* * *

Keidel, R. (1994). Rethinking organizational design. *Academy of Management Executive, 8*(4), 12-30.

Keidel groups organizational design solutions (downsizing, for example) into three basic categories: (1) restructuring, which targets organization units and hierarchy and benefits primarily shareholders; (2) reengineering, which targets organizational processes and benefits shareholders and customers; and (3) rethinking, aimed at changing individual, group, and organizational mind-sets, which benefits shareholders, customers, and employees.

Though Keidel believes each of these kinds of organizational design interventions has its time and place, he sees rethinking as the broadest and most comprehensive approach in that it prompts a rich discussion of organizational possibilities and takes into account multiple, differing perspectives to create the opportunity for organizational learning and accompanying performance improvement.

Keidel offers nine redesign recommendations: (1) consider all cost-reduction alternatives (not just employee costs), (2) put any sizable layoffs at the front end of a redesign, (3) spread the pain among all employee levels, (4) make full use of training and development, (5) reward wins, (6) share the company's vision with employees and involve them in planning, (7) beware of fixating on one approach, (8) identify and integrate multiple perspectives (shareholders, customers, and employees), and (9) take time to reflect.

* * *

Knowdell, R. L., Brunstead, E., & Moravec, M. (1994). *From downsizing to recovery: Strategic transition options for organizations and individuals.* Palo Alto, CA: CPP Books, 240 pages.

The authors take the point of view that downsizing is both an accepted part of business practice today and a proactive approach to strengthening the organization. Management of the downsizing process is considered to be critical to achieving a successful overall effect. The book is a how-to guide to the downsizing process, complete with checklists of things to consider.

The "checklist for downsizing" illustrates the range of practical issues discussed. Included are: the transition team; relation of downsizing to company mission; options for staff reduction; costs; criteria for determining who will be laid off; impact on organizational structure; personnel policies regarding dismissal; union agreements; legal impact; severance packages; transition services; impact on clients, customers, and suppliers; and public relations.

Two themes permeate the book: (1) the need to think through and plan for the downsizing process and (2) the need to stay true to the business mission throughout the process.

The authors are experts in the outplacement business. The approaches put forward reflect that background, and the most detailed and specific parts of the book deal with outplacement procedures and services.

* * *

Kochanski, J., & Randall, P. M. (1994). Rearchitecting the human resources function at Northern Telecom. *Human Resources Management, 33*(2), 299-315.

This article describes the effort to reshape the human resources function of Northern Telecom, a global telecommunications company. The pressure to reduce costs was a driving factor. Downsizing was involved; however, the emphasis in this article is on the "new architecture" of the organization, and how that new architecture was implemented.

In this context, the article characterizes several features of new architecture, including: (1) an integrated strategy; (2) new work alignments (integration of human resources professionals into business unit teams, for example); (3) horizontal structures; (4) employee competency enhancement (by using automated systems for self-assessment, for example); and (5) planning and coordinating mechanisms (a disciplined project planning process, for example).

Further, the authors develop the concept of "endings" leading to a "neutral zone," which in turn leads to "new beginnings" as a transition framework. As it interprets this transition, the article highlights several lessons from the Northern Telecom experience, including: (1) A search conference that enlisted the involvement of persons from a range of levels and constituencies added value and helped to create "buy in." (2) Early communications about progress of the implementation were delayed and overly restricted, which adversely affected employee trust. Later in the project, weekly conference calls involving more than 100 people were instrumental in getting critical issues out for public discussion. (3) When attention was diverted from outputs to activities, little was achieved. Clear attention to outputs and milestones kept the project moving forward.

* * *

Krepps, M. B., & Candell, A. B. (1997). *Industrial inefficiency and downsizing: A study of layoffs and plant closures.* New York: Garland Publishing Inc., 155 pages.

In this book, drawn from the authors' dissertation research, this century's three major shocks to the U.S. manufacturing industry are identified: the Great Depression, import competition that began in the 1970s, and market activity focusing on corporate control that developed in the 1980s. The study then asks two questions. First, what form did responses to these threats take, and second, were the responses consistent with theories of profit maximization?

Responses revolve around the idea of industrial inefficiency, since common knowledge asserts that large companies have "fat," or bloated layers of supervisory management that contribute to inefficiency. Downsizings of middle management are the major response to corporate "fat," and an examination of the manufacturing industry between 1967 and 1991 shows that downsizings that reduced non-production employment resulted in positive market reactions.

The authors then examine whether downsizings and a second possible response, plant closings, were efficient ways of maximizing company profit. They found that many downsizings were conducted in ways that managers believed were less than optimal, and that often the plants that were closed were not the least efficient. However, this behavior is considered consistent with ideas of minimizing costs and maximizing profits. The authors explain this seeming contradiction by emphasizing the difference between the perspective of the individual plant and the perspective of the company. When viewed through the lens of the firm as a whole, downsizings and plant closings are viable strategies for maximizing profits.

* * *

Levine, C. H. (1978, July-August). Organizational decline and cutback management. ***Public Administration Review,*** pp. 316-325.

Levine presents the central problem of decline as the lessening of spare resources with which to deal with uncertainty, sponsor innovation, and reward loyalty. Government organizations, as non-market extensions of the state, are particularly difficult to cut back; however, this article, written well before government staff cuts in the 1980s, displays a prescience in its introduction, stating that "government organizations are neither immortal or unshrinkable."

Levine analyzes decline in public organizations from both political and economic perspectives and suggests tactical responses under different scenarios. Ultimately, Levine sees two choices: government can maintain its "bigness" through authoritarian measures that come at the expense of the state, or citizens can adopt assumptions (such as accepting the notion that government organizations can get smaller) that permit greater possibility for decentralization and devolution of government functions.

* * *

Light, P. (1994, November-December). How thick is government? *The American Enterprise,* pp. 59-63.

Light argues that, in spite of the popularity of downsizing in the middle and lower layers of the federal government, there are more people at the top than ever. Particularly troubling to the author is the fact that government leaders are sorted layer upon layer. Thus, there may be as many as fifty-two levels of employees between a cabinet department secretary and a branch chief.

The real cost of these top-level layers in government, according to Light, is the diffusion of accountability. It is difficult to hold any one person responsible for poor analysis or misinformation. He believes leadership could be stronger if there were fewer links in the chain of command.

* * *

Lundquist, J. T. (1992, November-December). Shrinking fast and smart. *Harvard Business Review,* pp. 74-85.

Lundquist presents a sobering analysis of defense industry prospects. Using historical data, he demonstrates that defense industry procurement is in the midst of a downturn of gargantuan proportions. Further, he argues that procurement reforms of the 1980s, especially the increased use of fixed-priced contracts, has made the challenge of remaining profitable more difficult than in the past.

Lundquist proposes that the organizations that will survive and be successful in the long term are those that not only shrink faster than the marketplace but that "shrink smart." By shrink smart, Lundquist means that companies have to determine the market segments in which they can establish competitive dominance. From among those, companies should divert financial resources away from the "cash cows," which generate revenue but have little potential for growth, to the "stars," which contain the most growth potential. Those company units not engaged in markets in which the company is competitively dominant should be either shut down or sold.

Lundquist concludes that companies must make a commitment to three or four years of constant upheaval while the company is restructured. Also, managers have to be willing to make a cold assessment of the viability of each business unit within the company. Finally, managers have to be able to develop a compelling vision for the company as a whole and for each of its business units.

* * *

McKinley, W., & Mone, M. A. (1998). Some ideological foundations of organizational downsizing. *Journal of Management Inquiry, 7*(3), 198-212.

While downsizing has always been a survival strategy used by businesses suffering from financial crises or declining demand, in the last few decades it has also become a method profitable companies use to further increase their revenues. This article argues that two major managerial ideologies, employee self-reliance and cutting bureaucracy, have contributed to this

trend. These ideologies reinforce each other and contribute to a social environment in which downsizing is an acceptable, and even encouraged, action.

The ideology of employee self-reliance assumes that individual employees are responsible for their own career development and that organizations are not responsible for guaranteeing jobs to employees or helping downsizing victims find new positions. The institutionalization of this ideology results in executives feeling less guilt about downsizing and employees expecting less from their employers. The idea of cutting bureaucracy is based on reducing red tape and managerial layers in organizations in order to allow remaining individuals to be more creative and more efficient. These two ideologies, reinforced by social, political, and economic forces, ensure that downsizings will continue for the foreseeable future.

The authors recommend government action to help safeguard workers from corporate downsizings, including offering tax breaks and financial incentives to discourage layoffs, encouraging more advance notice of downsizings, and slowing the trend of government deregulation of industry. They also recommend that more empirical research be done on the social, technological, and financial variables involved in downsizing and on how the managerial ideologies they describe affect cognitive processes in managers and workers.

* * *

Mishra, A. K., & Mishra, K. E. (1994). The role of mutual trust in effective downsizing strategies. *Human Resources Management, 33*(2), 261-279.

This study built upon the longitudinal study of downsizing in the automotive industry conducted by Cameron, Freeman, and Mishra (1991; see annotation on p. 9). In that study, three types of downsizing strategy were identified: (1) workforce reduction, aimed at reducing head count; (2) organization redesign, aimed at broader change (such as eliminating departments); and (3) systemic change, focused on culture change through a philosophy of continuous improvement.

All the organizations in the 1991 study used the workforce reduction strategy. The organizations achieving the best results (improved performance) also used the latter two strategies. The authors' study focuses on the relationship between an atmosphere of mutual trust among the management team and the kind of downsizing strategies employed.

Based on data from interviews and a survey, the authors conclude there is a positive association between mutual trust within a management team and use of the more effective organization redesign and systemic change

downsizing strategies. A practical implication of the study is to highlight the importance of creating a culture of mutual trust before implementing a downsizing initiative.

* * *

Thornhill, A., & Saunders, M. N. K. (1998). The meanings, consequences and implications of the management of downsizing and redundancy: A review. *Personnel Review, 27*(4), 271-295.

Researchers have used many different theoretical models to explain downsizings. This review of the literature describes some of the models used in four areas: organizational and strategic analysis of downsizings, implementation methods, individuals' reactions, and managing the consequences.

Viewed from an organizational strategy perspective, downsizings can either focus strictly on reducing an organization's head count or it can attempt a larger organizational redesign. The type of organizational change companies display is another way to analyze workforce reductions. Organizations can exhibit convergence, incremental change, or reorientation, a quicker, more radical change. Finally, an analytical model describes downsizings as either proactive or reactive. A proactive organization carefully plans each step of the downsizing process, while reactive organizations respond to new challenges as they arise.

The review of implementation methods focuses mainly on the difference between downsizings in which management exerts strict control over the process and those in which employees have more input. Low managerial control can result in a drop in effectiveness, but excessive managerial control can lead to negative survivor reactions.

The literature shows that individual reactions to downsizings can vary greatly. Survivors that worked closely with redundant workers tend to have a more negative response. Other factors that affect reactions include individuals' self-esteem, prior organizational commitment, tolerance of insecurity, and coping resources.

Finally, organizations should consider the importance of equity and organizational justice when implementing downsizing. Effective communication is key to successfully managing the consequences of downsizings, and organizations that integrate their organizational and human resources strategies are most likely to experience successful and effective downsizings.

* * *

Tornow, W. W. (1988, October). Contract redesign. *Personnel Administrator,* pp. 97-101.

In this article, Tornow spells out some of the ways that restructuring has worked to create a new employer-employee relationship and discusses the effects on organizations and individuals. The old employment contract, he says, was based upon such factors as stability, predictability, employee retention, valuing loyalty and tenure, job security, and advancement within the hierarchy. The new contract, in contrast, is marked by change, uncertainty, targeted employee turnover, valuing performance and skills, employee development and achievement, and "plateauing."

Key to Tornow's analysis is the notion that today's companies cannot afford to offer paternalistic promises of lifetime job security. What companies can do is provide employees with information about organizational intentions and plans. Further, companies can support employees in their efforts to contribute to the organization's development. As the organization shares more power and control with employees, employees can and should assume more responsibility for the shape of their careers.

Tornow sees specific areas of the compensation, benefits, and training systems as leverage points for change. He offers as examples: compensation systems that can be shifted away from job evaluation systems to systems focused on skills and contributions; benefit programs such as pensions that can accommodate a more mobile workforce; training that focuses on life and career planning as key areas; and flex-time, part-time, and other flexible staffing arrangements.

***

Train, A. (1991, March-April). The case of the downsizing decision. *Harvard Business Review,* pp. 14-19, 22-23, 26-27, 30.

This article presents a case study of a downsizing decision, with commentary from four management experts with experience in corporate restructuring. The case study involves an electrical products conglomerate whose long-term CEO has recently stepped aside. Financial analysts see a company in decline and needing to substantially trim costs. The general manager (GM) of the company's most profitable division gets a memorandum from the new CEO requesting each division to immediately institute an 11 percent cut in staff. The question posed to the experts is: Should the GM support the CEO's decision or right it? And how?

Each commentator lent a different perspective to the case. The first, D. Enfield, sees downsizing as only the first step in addressing the company's

larger strategic issues but sees support of the cuts as essential. The second, L. Hirschorn, identifies the "culture of dependency" that exists within the company as the central problem; he urges the GM to challenge the new CEO to take public responsibility for the downsizing decision.

The third commentator, E. Kampouris, thinks that eliminating nonessential work should be the priority for the company; he thinks the GM should condition acceptance of the cutbacks on acceptance of that priority. The fourth, R. Nomme, thinks the GM should persuade the CEO to rethink his decision and engage first in a strategic planning process with active employee participation in implementation.

The four commentators found common agreement in one area: that across-the-board cutbacks are an ineffective approach to downsizing. Those who would have the GM support the CEO decision would, nevertheless, suggest specific cuts be made at the division level.

* * *

Tylczak, L. (1991). *Downsizing without disaster: A thoughtful approach to planned workforce reduction.* Los Altos, CA: Crisp Publications, Inc., 75 pages.

The author argues that downsizing can produce positive results if approached with a positive attitude and good basic management skills.

Key points in the book (one in a series of brief self-study publications) include: (1) recognize potential problems in advance and plan for them; (2) begin planning at the strategy level (problems/opportunities, company mission) and proceed to detailed planning of the downsizing initiative(s); (3) plan the downsizing in secrecy and announce forthrightly; (4) treat terminated workers with respect; and (5) attend to the psychological needs of downsizing survivors and other constituents.

* * *

Whetten, D. A. (1980). Organizational decline: A neglected topic in organizational science. *Academy of Management Review, 5*(4), 577-588.

This 1980 paper presciently foretells the era of organizational decline and suggests a research agenda to better prepare for issues related to that decline. Whetten's recommendations, which are of primary interest to organizational scholars, include: (1) improve the conceptual clarity of the concept "organizational decline"; (2) conduct more research on management under conditions of stress (which decline provokes); (3) conduct more research into how managers make sense of crisis situations; (4) conduct additional research

on balancing integration and loose couple during decline; (5) create new techniques for dealing with conflict in declining organizations; (6) broaden the research perspective on decline to include not only the perspective of top management and owners but also that of rank-and-file employees in order to blunt the effect of the "organizational imperative" view that the health of the organization is imperative; (7) conduct research on the impact of decline on the relative size of the administrative staff in comparison with the total number of employees; and (8) research interorganizational (joint venture) responses to decline.

* * *

Wilburn, R. C., & Worman, M. A. (1980). Overcoming the limits to personnel cut-backs: Lessons learned in Pennsylvania. *Public Administration Review, 40,* 609-612.

The purpose of the article is to describe "lessons learned" from efforts to reduce the workforce of the State of Pennsylvania during the early days of a new governor's administration. Wilburn and Worman write from their perspectives as senior executives within the state's Department of Budget and Administration.

The authors identify key sources of resistance to reductions, which include restraints on removing both civil service employees and non-civil service employees, union contracts, and interest group mobilization. From a tactical perspective, the authors advocate more aggressive use of personnel evaluations, especially during the probationary period; more frequent communications with unions; and either a "drip by drip" or a "lightning fast" approach as ways to decrease resistance to the reductions. In the end, the authors credit arbitrary reduction mandates at the agency level for their success in achieving reductions. They were not persuaded by the efficacy of pre-reduction needs analysis.

* * *

Womack, J. P., & Jones, D. T. (1994, March-April). From lean production to the lean enterprise. *Harvard Business Review,* pp. 93-103.

The authors advocate the extension of "lean production" concepts (eliminate all unnecessary steps, align all steps into a continuous flow) to a new organizational model, termed the "lean enterprise." The lean enterprise, as defined by the authors, is a collection of individuals, functions, and companies all focused on one thing: the value stream. All activity is focused on

supplying a good or service in a way that provides maximum value to the customer.

The challenge for managers, according to the article, is to achieve a balance that fulfills individual needs, functional needs, and corporate needs while retaining focus on the value stream. Four specific ideas are expressed: (1) Individuals should have career paths that alternate between being part of a team focusing on a particular group of products and being engaged in "knowledge building" within functions. (2) Functions should serve as a "school" by focusing best practices for the rest of the organization to learn from. For example, the purchasing department will draw up the principles for engagement with suppliers, but the actual purchasing will be done by the product-development team. (3) Companies should focus on a much narrower set of activities than at present, focusing on things they do best. (4) Rules of conduct must be drawn up among companies that are cooperating on a value stream. It must be mutually verifiable that all parties are doing what they say.

The authors note that a natural consequence of the lean enterprise is that more and more will be done with less and less, which implies that some people will lose their jobs. The authors urge organizations to find ways to avoid massive layoffs that risk a backlash by employees and the public. Two suggested strategies for keeping people working are to decrease prices, thus pumping up sales volume, and to accelerate product development.

* * *

Organizational-Individual Relationship Perspective

Workforce reductions undeniably create challenges for companies even while promoting dramatic effects on individual workers. Further, downsizing efforts also influence the relationship between a company and its workers, between a company and the community within which it operates, and between individual workers and that larger community.

The articles and books annotated in this section focus on those relationships, on the individual-level and group-level thoughts, feelings, and behaviors when challenged with issues of workforce reductions. From this perspective, the literature examined here comprises three key themes.

The first key theme is that perceptions of fairness are critically important mediators of how people react to workforce reductions. A successful downsizing effort, one that minimizes the damage to company-worker-community relationships, requires that organizations:

Pay attention to congruence with corporate culture or lack thereof (job layoffs in an organization that has emphasized job security is a critical variable, for example) (Brockner, 1992).

Realize that fairness is particularly important if the workforce is close-knit and highly committed (Brockner, 1992; Brockner, Tyler, & Cooper-Schneider, 1992).

Provide sufficient advance notice (Brockner, 1992; Downs, 1995; Hirschorn, 1983; Sutton, Eisenhardt, & Jucker, 1985).

Be fair in making "who stays, who goes" decisions (Brockner, 1988; Brockner, 1992; Brockner, Konovsky, Cooper-Schneider, Folger, Martin, & Bies, 1994; Brockner, Wiesenfeld, Reed, Grover, & Martin, 1993; Sutton et al., 1985).

Be as generous as possible (that is, provide outplacement assistance) *in treatment of terminated workers* (Brockner, 1992; Brockner, Grover, Reed, DeWitt, & O'Malley, 1987; Sutton et al., 1985).

A second key theme is that the people throughout the organization have a strong desire for accurate and reliable information. The annotations addressing this theme provide signposts for ensuring that effective communications play a vital part in any downsizing implementation process.

Organizations must realize the difficulty of defining the concept of appropriate communications and knowing what to say, how to say it, and who should say it (Brockner, DeWitt, Grover, & Reed, 1990).

Despite that difficulty, organizations must tell everything and tell it honestly, while remaining empathetic toward those individuals affected

(Brockner, 1992; Brockner et al., 1990; Gilmore & Hirschorn, 1983; Hirschorn, 1983; Marks, 1994; Noer, 1993; Sutton et al., 1985).

Management should accept responsibility and not scapegoat (Downs, 1995; Harvey, 1988).

Organizations should explain the purposes(s) of workforce reductions within larger strategic contexts (Brockner, 1990; Smeltzer & Zener, 1992; Smith, 1994).

Transition management training can help individuals prepare to deal with "endings," "neutral zones," and "new beginnings" associated with workforce reductions (Marks, 1994; Noer, 1993).

The third theme available in this body of literature describes how survivors of involuntary work reductions very often experience harmful effects to their well-being. Companies must pay as much attention to these effects as to the effects visited upon laid-off workers. During a downsizing effort:

Workforce morale tends to decline strongly (Armstrong-Stassen, 1993).

Those who remain in the organization's workforce commonly experience high levels of anxiety and stress, which manifests itself in self-absorption, energy, guilt, envy, anger, and competitiveness, leading to loss of energy, flexibility, and creativity (Krantz, 1985; Marks, 1994; Noer, 1993; Smith, 1994; Sutton & D'Aunno, 1989).

Annotations

Allcorn, S., Baum, H. S., Diamond, M. A., & Stein, H. F. (1996). *The human cost of a management failure: Organizational downsizing at General Hospital.* Westport, CT: Quorum Books, 304 pages.

In 1993 General Hospital began downsizing employees to cope with a permanent 10 percent to 15 percent drop in the hospital's occupancy. At three points during that year the authors interviewed twenty-three of the hospital's mid- and upper-level managers. After interviews were conducted, three organizational development consultants were asked to analyze the interviews at each stage in order to examine the effects of a downsizing on individuals from a psychoanalytically informed perspective.

This book includes text of twelve of the twenty-three interviews, analysis by the consultants, and commentary by the authors. In the interviews the subjects describe how the downsizing has affected their work and personal lives; the subsequent analysis includes themes identified in the interviews, their significance, and a section on "What would I do as consultant?" The overwhelming themes in the interviews were the growing feelings of depression, anxiety, and helplessness that managers experienced as the downsizing progressed.

The authors and consultants reach depressing conclusions about the example of General Hospital, ultimately calling it a "horrible" situation in which communication broke down and even the survivors were traumatized by the experience. The consultants draw analogies between the downsizing and the Holocaust, citing the deep psychological wounds it left on the survivors (although they caution against taking the analogy literally). The authors compare the situation to the Vietnam War, in which participants had no choice in participating and no way of fighting back, and their sacrifices went unrecognized and unappreciated. This case study reveals the collective psychic wounds that downsizings create and argues that if the corporate trend of major job cuts continues, it could have serious long-term effects on the American workforce.

* * *

Armstrong-Stassen, M. (1993). Survivors' reactions to a workforce reduction: A comparison of blue-collar workers and their supervisors. *Canadian Journal of Administrative Sciences, 10*(4), 334-343.

This article describes a study designed to analyze and compare the reactions of first-level supervisors and blue-collar workers who survived

across-the-board permanent layoffs within their organization. Because of the lack of research data on the response to workforce reductions of managers versus nonmanagers, Armstrong-Stassen considers the research exploratory in nature.

Armstrong-Stassen theorizes that perceived injustice and job insecurity are key variables in determining the reaction of survivors to a layoff. Because managers probably are better informed about the company's overall situation and the reason for the reductions than blue-collar workers, she hypothesizes that managers are more likely to perceive as fair the reason for the layoffs and the proportions of managers and nonmanagers reduced. The author predicts no differences between managers and nonmanagers in terms of perceived job insecurity.

Other variables investigated include coping responses, morale, commitment to the organization, and trust in the organization.

The author's theory was tested by administering a survey questionnaire to 50 first-level supervisors and 200 technical workers in a branch of a major corporation in the telecommunications industry. The technical workers were divided into two groups; one group had never experienced a workforce reduction and the other group had undergone several reductions over a period of years. In-depth interviews were conducted with a sample of respondents.

Results showed that both groups of technicians reported significantly greater perceptions of unfairness about the workforce reductions and reported greater job insecurity than did the supervisors who participated in the study. An important reason behind the differences, the author argues, is the advantage supervisors have over technicians in gaining access to information.

There were also significant differences between the two groups of technical workers. The group that had already experienced reductions weathered these reductions with less effect on organization morale and with greater tendency to become more involved in their work, which the author sees as a coping response.

Armstrong-Stassen also reports that, in spite of differences among the three groups, all suffered adverse consequences from the layoffs, particularly in terms of morale and trust in the company.

This study reinforces the finding of other studies that access to information is a key mediator of responses of survivors to layoffs.

* * *

Armstrong-Stassen, M. (1994). Coping with transition: A study of layoff survivors. *Journal of Organizational Behavior, 15,* 597-621.

This article describes a study designed to examine types of coping mechanisms used by blue-collar layoff survivors in response to a workforce reduction and to link those coping responses to organizationally relevant outcomes. Armstrong-Stassen presents a detailed review of stress-related coping concepts. The primary focus is on theory developed by Richard Lazarus and Susan Folkman in *Stress, Appraisal, and Coping* (New York: Springer Publishing Co., 1984). Lazarus and Folkman differentiate "problem-focused" coping, which is aimed at modifying or ameliorating the cause of the stress, from "emotion-focused" coping, aimed at controlling one's emotional response to the cause of the stress. In this study, Armstrong-Stassen refers to "control-oriented" coping and "escape/avoidance" coping as highly analogous to the Lazarus and Folkman formulation.

The author posits that control-oriented coping is associated with survivors who are optimistically predisposed, have a strong sense of personal mastery, and perceive high social support; she posits that the absence of those characteristics is associated with survivors who are prone to escape coping. She theorizes that a substantial threat of job loss will induce a greater likelihood of control and escape coping in all survivors.

In terms of organizationally relevant outcomes, the author posits that control coping is positively related to organizational commitment and job performance and negatively related to the survivor's intention to leave the organization (opposite relationships are expected for escape coping).

Armstrong-Stassen administered a survey questionnaire to 200 technical, blue-collar employees who were survivors of a layoff that had occurred about six weeks previously. Follow-up interviews were conducted with a sample of respondents and managers.

Results revealed a positive link between optimism and control coping, as well as sense of mastery and control coping. No relationship was found between the personal characteristics investigated and use of escape coping.

Survivors' perceived support of their supervisor was positively associated with commitment to the organization, job performance, and with less thought of leaving the organization. Use of control coping mechanisms also had a positive relationship to these same variables, in comparison with escape coping.

A high perceived threat of job loss induced greater use of both control and escape coping mechanisms. From an organizational perspective, control

BEST COPY AVAILABLE

coping seemed to help the situation, while escape coping resulted in worse outcomes.

Armstrong-Stassen concludes that stress management programs for assisting people in devising effective coping strategies, offered before the workforce reductions, may be of significant benefit to both survivors and victims of cutbacks. She also suggests that attention be given to supervisors to assist them in their key support role to employees.

This article offers a framework for understanding coping responses that is well integrated with the relevant literature. The author's linking of proactive coping responses with positive outcomes from an organizational perspective has important implications for managers seeking to ameliorate the negative effects of layoffs.

* * *

Ayling, R. (1997). *The downsizing of America.* Commack, NY: Nova Science Publishers, Inc., 205 pages.

Ayling says that companies downsize for three reasons: to reduce overhead, to improve economic performance, and to increase market value. But since downsizings, unlike other management actions, have severe personal effects on employees, companies should exhaust all other options before resorting to downsizing as a strategy. Some other steps companies can take to optimize performance include decreasing overhead expenses, improving organizational communication, examining how technology creates inefficiency, fragmenting the company, and considering job changes.

The second half of the book focuses on how organizations can best use their "human resources" to improve efficiency and avoid downsizing. Strategies for best using employee resources include staffing at the correct level, using internal talents, growing employees in place, eliminating excess administrative work, and adding employees to the management teams. These strategies can help organizations avoid downsizings, which are so destructive they should only be used as a last resort to save companies in serious financial trouble. Downsizings have become so popular among executives, though, that it will require government incentives, media attention, and pressure from other organizations to stop unwarranted workforce reductions.

* * *

Brockner, J. (1988). The effects of work layoffs on survivors: Research, theory, and practice. In B. M. Star & L. L. Cummings (Eds.), *Research in organizational behavior* (pp. 213-255). Greenwich, CT: JAI Press.

In this article, Brockner summarizes the findings of seven studies of layoff effects on survivors. The primary purpose of the studies was not so much to delineate the effects of layoffs as to get a better idea which factors most affect the reaction of survivors to layoffs. Brockner concludes that survivor perceptions of fairness and stress are key factors in determining behavioral and attitudinal outcomes of layoffs.

The author cautions that much more research is needed before the effect of various factors on layoff survivors' reactions can be rigorously stated. Nevertheless, the article suggests a number of practical implications for layoff implementation. Among these are the importance of acting in ways that reinforce the survivors' perception that layoff victims have been treated fairly; letting survivors know that other competitive organizations are resorting to layoffs; providing extra support to those most "at risk" of suffering a deterioration in work performance; asking managers to ease stress by focusing on simpler tasks immediately after a layoff; and holding "venting" meetings so workers can express their feelings.

Brockner details a number of possible directions for fruitful research, and suggests a conceptual model on which to build.

* * *

Brockner, J. (1990). Scope of justice in the workplace: How survivors react to coworker layoffs. *Journal of Social Issues, 46*(1), 95-106.

This article reports on the findings of a laboratory study and a field study that provide strong support for the idea that survivors of layoffs form reactions to the layoffs in part, at least, according to the perceived fairness of the layoffs. The studies specifically investigated two components of fairness: how well management explained the layoffs and the degree to which the company provided assistance to those laid off. The need to attend to perceptions of fairness throughout the layoff process is highlighted.

* * *

Brockner, J. (1992, Winter). Managing the effects of layoffs on others. *California Management Review,* pp. 9-27.

In this article, Brockner describes factors that affect survivors' reactions to layoffs and prescribes actions managers can take to minimize potential damage to morale and productivity.

As a theoretical perspective, Brockner adopts a general finding emerging from studies of survivors: the notion that the extent to which survivors perceive the layoff as being fair will influence the way in which they react to their situation. Brockner suggests nine questions that, among others, survivors ask to assess fairness. Those questions include: (1) Is the layoff truly necessary? (2) Did the organization provide sufficient advance notice of the layoff? (3) Was the pain of the layoff shared equitably among organizational levels?

Brockner indicates two situations in which fairness-related issues are particularly germane to survivors: (1) when survivors have close interpersonal relationships with victims and (2) when the survivors were highly committed to the organization prior to the layoffs.

Brockner cites evidence that high levels of job insecurity can lead to decreased morale and productivity. Job content often changes. People take stock of their own future prospects in the organization and are also influenced by the reaction of others.

Brockner's findings include the notion that in layoffs, there is the prospect for creating organizations that are stronger and more durable over the long term than they otherwise would be. Although offering no quick fix to alleviate the sometimes-wrenching change that comes with layoffs and downsizing, he suggests a number of things that organizations can do before, during, and after layoffs to minimize the harm.

Before the layoff, for example, the company should make sure that layoffs are a logical consequence of organizational strategy and assess the level of fit with the organization culture. The organization should provide enough advance notice to the victims of the layoff to permit them to exit gracefully, and should train managers and supervisors how to behave with both survivors and victims during the layoff process. The company should make particular efforts to maintain the involvement and commitment of those who are seen as key to the organization's future success.

During the layoff, steps that companies can take include communicating frankly and fully to survivors; providing tangible transition assistance to survivors, in forms such as severance pay and outplacement counseling; and increasing the accessibility of managers.

After the layoff, Brockner writes, organizations should take such actions as finding ways to eliminate low-value work, so that survivors are not constantly being asked to do "more with less"; maintaining a psychology of hope by creating opportunities for "small wins"; publicly rewarding behaviors sought in the new work environment and being explicit about the opportuni-

ties in the new environment; and finding ways to make work more interesting for employees (job enrichment).

* * *

Brockner, J., DeWitt, R., Grover, S., & Reed, T. (1990). When it is especially important to explain why: Factors affecting the relationship between managers' explanations of a layoff and survivors' reactions to the layoff. *Journal of Experimental Social Psychology, 26,* 389-407.

The purpose of the study described in this article was to investigate circumstances under which the clarity of managers' explanations of layoffs most strongly affects survivors' reactions to the layoffs. For theoretical background, the authors cite research showing that people are more willing to accept decisions unfavorable to them if they have a good understanding of the reasons for those decisions.

Within the context of a layoff, the authors theorize that survivors will be more motivated to understand the decision-making rationale if they are uncertain about the decision-making process and if they perceive key aspects of the layoff decisions to be of significant personal consequence. Factors that induce uncertainty include, as examples, perceived unusualness or avoidance of the layoffs and perceived unfairness of the "who stays, who goes" decisions. Personal consequences of the layoffs are theorized to include the probability of future layoffs as well as the personal connection survivors feel toward victims of prior layoffs.

The methodology used was to survey the employees of a national chain of small retail stores. A number of stores had been closed in the previous twelve months, resulting in thousands of layoffs. Questionnaires were sent to 1,602 managers and clerks and achieved a 37.3 percent response rate.

Brockner and colleagues confirmed their predictions. A clear accounting of the reasons behind the layoffs created a more favorable impact on employees when those employees expressed uncertainty about why the layoff occurred and the importance of layoff-related outcomes.

From a practical standpoint, the study underscores the importance of clear communications when a layoff occurs, particularly when some aspect of the layoff creates a surprise and when a large impact on the workforce is expected. The authors point out difficult questions that remain to be addressed, including, specifically: What should management say? When should the message be delivered? Who should deliver the message?

* * *

Brockner, J., Greenberg, J., Brockner, A., Bortz, J., Davy, J., & Carter, C. (1986). Layoffs, equity theory, and work performance: Further evidence of the impact of survivor guilt. *Academy of Management Journal, 29,* 373-384.

This laboratory experiment used undergraduate students as subjects. The results indicated the presence of guilt and remorse among layoff survivors. Random layoffs caused survivors to increase the quantity of their work; layoffs based upon merit led survivors to perceive that they had performed more favorably than their counterparts in the first exercise, and led to significantly higher work quality than in the random layoff situation.

* * *

Brockner, J., Grover, S., & Blonder, M. (1988). Predictors of survivors' job involvement following layoffs: A field study. *Journal of Applied Psychology, 73*(3), 436-442.

This field study proposed to delineate some of the factors associated with survivors' involvement in their jobs subsequent to layoffs. The researchers expected that a strong work ethic would be a positive factor in maintaining job involvement following a layoff. They found this to be the case in the condition of a mild layoff; however, in the condition of a severe layoff, a strong work ethic made no apparent difference.

The study also demonstrated that, under conditions of a mild layoff, ambiguity about job role expectations led layoff survivors to be less involved in their jobs than otherwise. No significant differences were found under the condition of a severe layoff.

The authors suggest that managers need to be aware of employees who are most "at risk" of becoming less involved in their jobs following a layoff. The two risk factors identified were a high level of role ambiguity and a low work ethic.

* * *

Brockner, J., Grover, S., Reed, T., DeWitt, R., & O'Malley, M. (1987). Survivors' reactions to layoffs: We get by with a little help from our friends. *Administrative Science Quarterly, 32,* 526-541.

This article reports on two research studies that looked at survivors' reactions to layoffs in the face of two primary variables: (1) how "connected" the survivors feel toward their colleagues who were laid off and (2) how fairly the compensation given to those who were laid off was perceived to be. In one study, a laboratory experiment involving undergraduate students,

survivor reactions were measured by changes in work performance. In the other study, a field survey involving a chain of retail stores, reactions were measured by reported change in commitment to the organization.

The study's underlying theory held that issues of fairness are salient to how survivors react to layoffs. As examples, people may question the legitimacy of the layoffs; how the news of the layoffs was communicated; how decisions were made about "who stays, who goes"; and how well those laid off were taken care of, in terms of severance pay, compensation, and the like. As expected, the studies showed that people reacted more negatively to layoffs when they perceived that little or nothing had been done to take care of those laid off; the negative effects were magnified when people felt a sense of kinship to those laid off.

As practical implications of their research, the authors suggest that organizational caretaking of laid-off workers may significantly ameliorate the negative effects that layoffs have on the attitudes and behaviors of survivors. The authors also suggest that organizations need to pay attention to the effectiveness of their communications efforts, especially in sharing news about the help being provided to laid-off workers.

* * *

Brockner, J., Konovsky, M., Cooper-Schneider, R., Folger, R., Martin, C., & Bies, R. (1994). Interactive effects of procedural justice and outcome negativity on victims and survivors of job loss. *Academy of Management Journal, 37*(2), 397-409.

This article describes the findings of three separate experiments designed to find out if people would react better to an adverse decision if they thought they had been treated fairly than they would react if they thought they had been treated unfairly.

Data were collected from three populations: layoff victims (study 1), layoff survivors (study 2), and people who had been given notice that they were about to be laid off (study 3). In the case of the layoff victims, the lower the severance benefits, the more the outcome was considered negative. Among layoff survivors, severity of the layoff was designated as the measure of negativity. For the people who had been given notice, the extent to which the impending layoff would have consequences for them was used to designate negativity.

In each of the studies, the results showed that outcome negativity and procedural justice combined to influence how individuals reacted to the decisions. When people perceived that adverse decisions had been arrived at

in ways that were procedurally fair, they were less likely to react negatively to the decisions.

The study has practical implications for organizations considering downsizing strategies. Many elements of procedural fairness, such as providing advance notice of layoffs, clear and adequate explanations of the reasons for the layoffs, and treating both survivors and victims with respect and dignity, are less expensive than outcome-related elements such as severance pay and outplacement counseling. The authors suggest that attention to both procedural fairness and implementation of concrete support measures for those affected by layoffs may be the most reasonable approach.

* * *

Brockner, J., Tyler, T., & Cooper-Schneider, R. (1992). The influence of prior commitment to an institution on reactions to perceived unfairness: The higher they are, the harder they fall. *Administrative Science Quarterly, 37,* 241-261.

This article describes two field studies that measure the effect of individuals' prior organizational commitment to their reaction to perceived unfairness. One of the studies investigates survivor reactions to a layoff; the other explores citizens' reactions to treatment in recent dealings with law enforcement authorities.

The writers posit that people who have a high level of commitment to an organization prior to an occasion in which they feel they have been treated unfairly are more likely to take the unfairness to heart than people who initially have a lower level of commitment. The basis for this prediction is the "group value" model of justice, which contends that people invest in relationships because the relationships contribute to their own sense of personal value. Unfair treatment by the others will, under these circumstances, prove distressing.

The authors tested this hypothesis by conducting two studies, which were very different in nature. Study 1 involved a survey of 150 layoff survivors with a financial services organization. The survey was constructed to measure changes in commitment to the organization, work effort, and intention to leave the organization in response to the perceived fairness of the layoff.

Study 2 involved data collection by phone and questionnaire of Chicago-area citizens. Changes in their commitment to law authorities were assessed as a function of perceived fairness of treatment in recent interactions with authorities.

The results of both studies supported the prediction that perceived unfair treatment had significantly greater negative effect on the commitment levels of those who initially had high levels of commitment, compared with the effect on people who initially had low levels of commitment.

An important implication for managers is to treat fairness as an important issue, because the perception of unfairness may alienate the employees who are initially the most committed.

• • •

Brockner, J., Wiesenfeld, B., Reed, T., Grover, S., & Martin, C. (1993). Interactive effect of job content and context on the reactions of layoff survivors. *Journal of Personality and Social Psychology, 64*(2), 187-197.

The article reports on two studies that explored the interactive effect of job content and layoff context on the reactions of layoff survivors. The studies, one a field survey involving a chain of retail stores and the other a laboratory experiment involving college students, came to a similar conclusion. The evidence suggested that layoff survivors were not only affected by the fairness of the layoff process but also by perceptions of changes in the intrinsic quality of their jobs.

The authors posit that layoffs represent a threat to the perceived ability of persons to control their work environment. An implication for managers is that they should attend both to issues of fairness as well as to the nature of the work itself in conducting layoffs if they hope to retain the commitment and enthusiasm of their workforce.

• • •

Bunker, K. A. (1994). The "R Factor" in downsizing. *Issues & Observations, 14*(4), 8-9.

This article briefly describes a model under development for understanding coping responses of survivors of downsizing. Bunker uses four broad categories as a way to conceptualize the interaction of survivors' readiness to learn and change and survivors' ability to learn and change.

The categories include: (1) the "entrenched," who are anxious and angry but, nevertheless, productive; (2) the "overwhelmed," who are feeling depressed and powerless, and tend to withdraw emotionally; (3) the "bs"-ing, who are ready for change but do not accomplish necessary personal learning; and (4) the "learning," who are willing to move with change and, at the same time, continue their personal development.

A significant managerial implication of the model is the ability to target helping and developmental interventions toward individuals and groups within the organization so as to increase the likelihood of successful coping with the stress of transition.

• • •

Caplan, G., & Teese, M. (1997). *Survivors: How to keep your best people on board after downsizing.* Palo Alto, CA: Davies-Black Publishing, 288 pages.

Common wisdom would argue that survivors of downsizings are thankful they still have jobs and are determined to prove that they deserved to be spared. However, survivors often have much more complicated reactions. After collecting information from more than 400 downsizing survivors, the authors identify three typical groups of survivors: the "foot out the doors," the "wait and sees," and the "ride it outs." "Foot out the doors" are the high-performing and efficient workers that companies most want to keep, but who often react to downsizings by exploring other career options. "Wait and sees" are reactive survivors who feel betrayed by the company. They focus on their current situation and have to be encouraged to consider their place in the new organization. Finally, "ride it outs" are the survivors who react to a downsizing with denial and become disconnected from the firm. They are the employees most likely to remain after a downsizing, but are also unlikely to meet the new organizational standards.

Four organizational factors help influence whether or not these survivors choose to stay with the organization. First, an organization's history, including its past leadership and how it has dealt with employees in similar situations, has a major effect on how survivors will react to the downsizing. Second, clear communication from the organization about the reasons for the downsizing and its effects helps retain employees and increase their commitment to the organization. Third, how well changes in the organization are managed influences survivors' decisions. Whether an organization is changing what it produces, the work environment, or the number of employees, it must have a cohesive and sensible plan for implementing these changes. Finally, survivors are influenced by how the organization manages the employees' transitions, including recognizing the emotional impact of a downsizing and allowing survivors to express their feelings. The authors also point out that organizational entities undergo transitions at the same time survivors experience individual transitions. These organizational transitions

must be managed carefully, because individual survivors cannot complete their transitions and adapt to new standards if the organization is in turmoil.

* * *

Colvard, J. (1986, Spring). Cutout: The ultimate cutback management. *The Bureaucrat,* pp. 6-8.

This article provides an anecdotal report of the factors that enabled the Naval Material Command to shut down organizationally in only two months, successfully placing all of its 450 civilian employees in other organizations. Key enabling factors included: (1) guarantees of continued employment at no lower than the present grade; (2) a temporary halt to personnel actions; (3) centralized decision-making to assure adherence to rules and avoid appearances of favoritism; and (4) emphasis on face-to-face communications, both for sharing information with employees and resolving management issues on the basis of consensus. The building of trust resulting from the above was seen to minimize the damage to morale and productivity in the transition process.

* * *

Davy, J., Kinicki, A., & Scheck, C. (1991). Developing and testing a model of survivor responses to layoffs. *Journal of Vocational Behavior, 38,* 302-317.

The authors explore the relation of employee involvement in decision-making ("global process control"), perceived layoff fairness, and job security as predictors of job satisfaction, organizational commitment, and intention to leave the organization ("intent to withdraw"). The authors theorize that for those who remain in an organization: (1) the opportunity to express views would relate positively with both the perceived fairness of the layoff and with job satisfaction; (2) job satisfaction would be positively affected by job security and perceived fairness of the layoff, which in turn would be positively related to organizational commitment; and (3) commitment to the organization and job security would relate negatively to intention to leave the organization.

The authors conducted two surveys of 300 randomly selected employees. The first, which preceded a layoff by one month, measured employee input in decision-making and job security. The second, administered three months after the layoff, measured perceived fairness of the layoff, organizational commitment, job satisfaction, and intent to leave the organization. Including both surveys, a response rate of 35 percent was achieved.

Results revealed that the data supported each of the theories at a significant level, with the exception that no relationship was found between job security and intent to leave the organization.

The study provides evidence that involving employees in organizational decision-making processes can positively affect the evaluation of a layoff decision. Also, the study provided evidence in support of the notion that perceived fairness of the layoff makes a difference in how satisfied employees are with their job afterwards.

The ability to draw inferences from this study was distinctly limited by the low rate of response to the two surveys. The authors suggest the need to cross-validate the model in future studies.

* * *

De Meuse, K., & Tornow, W. (1993). Leadership and the changing psychological contract between employer and employee. *Issues & Observations, 13*(2), 4-6.

De Meuse and Tornow contend that the "psychological contract," defined as implicit understanding between employer and employee of reciprocally fair treatment, has significantly changed in recent years. The practice of downsizing has become pervasive among U.S. firms; as a consequence, the notion that job security is the reward for hard work and loyalty has grown increasingly rare.

Organizations put forward apparently contradictory messages by trying to cut employee costs as much as possible, often at the same time they are launching initiatives to build employee involvement and commitment. The authors argue the necessity for a new understanding of the employment relationship grounded in the premise of mutual benefit and in the realities of today's marketplace. The implications of this new understanding call for an organization culture that promotes innovation and is responsive to the markets it serves, the need for employees to develop skill sets to competently cope with rapid change (and for organizations to encourage that development), and more employee responsibility for managing individual careers (organizations must support that goal with human resources policies). The authors cite the need to rethink the meaning of "jobs"; they suggest that in today's environment, "assignments" might be a more natural measure of work.

* * *

Downs, A. (1995). *Corporate executions: The ugly truth about layoffs—how corporate greed is shattering lives, companies, and communities.* New York: AMACOM, 224 pages.

In Downs's own words, this book is an "exposé" of layoffs. The general argument is that layoffs carry enormous costs to the companies that are laying off, the people who are laid off, and the communities in which layoffs take place. In support of his argument, Downs cites findings from several studies, along with case examples.

Downs describes himself as a practitioner of downsizing who, after years of involvement with implementing layoffs as a human resources professional and consultant, has had a change of heart. He sees the corporate culture of "narcissism," by which anything is acceptable as long as it is legal and makes money, at the root of the problem.

One chapter, titled "A Mass Execution," describes Downs's involvement with the secret planning processes of a layoff. He conveys to the reader a sense of his own uneasy feelings about being part of the process. Two of the book's chapters are written by Downs's sister, and give a striking first-person account of being completely surprised by company layoffs.

Downs suggests that only two organizational diagnoses necessitate downsizing: either the company has identical capabilities at multiple locations, or the company intends to shut down a particular product line. He cites four common practices associated with layoffs that he believes to be totally in error: (1) having the legal department design the layoff, (2) giving as little notice as possible, (3) management acting as if nothing has happened, and (4) management finding a scapegoat rather than accepting responsibility.

Downs concludes that a new relationship between company and worker is required that relies more on contract labor than the traditional paternalistic company-worker relationship.

* * *

Fierman, J. (1994, January 24). The contingency workforce. *Fortune,* pp. 30-35.

This cover article documents and comments upon the increased tendency for organizations to rely on temporary, or "contingency" workers. Those in this category include part-timers, free-lancers, subcontractors, and independent professionals. It is estimated that one-quarter of all U.S. workers are contingency workers, and their use among companies, particularly companies that are downsizing, is growing.

BEST COPY AVAILABLE

Fierman addresses the question of whether the increased use of contingency workers is good or bad for the country. A Fortune poll of CEOs found that more thought it was a plus (48%) than thought it was a minus (25%). The primary argument in support is that it increases the ability of organizations to respond flexibly, and therefore increases the company's ability to remain competitive. On the negative side, company executives like Boeing CEO Frank Shrontz expressed concern that contingency workers will be without retirement and health benefits, and that, he argues, is bad for society.

Ultimately, Fierman sees that the drive to cut costs and maximize flexibility is in conflict with the need to retain a motivated and creative workforce.

* * *

Francis, J., Mohr, J., & Andersen, K. (1992). HR balancing: Alternative downsizing. *Personnel Journal, 71*(1), 71-78.

This article provides a case study of a strategy called "HR balancing" implemented at Hewlett-Packard's (HP) Loveland, Colorado, division between 1986 and 1988. Because of HP's decision to exit from a business, a decision was made to reduce the workforce at this division by 400 over a two-year interval. The challenge was to do it cost-effectively and, at the same time, to preserve HP's "no layoff" policy.

The HR balancing approach was considered key to the successful strategy implementation. As "organizational balancing" involves reviewing and analyzing the organization's structures, HR balancing involves a complementary process in relation to the workforce. Three key parts in the HP implementation were: (1) Through comprehensive planning, identify any internal employee shortage or surplus. (2) If the surplus overall is greater than the need in particular areas, develop a portfolio of employee alternatives. In this case example, voluntary relocation and voluntary termination were the major options leading to successful implementation. (3) Measure the impact of the balancing effort on a) the organization, b) remaining employees, and c) former employees. HP, according to the authors, considers the impact on former employees as the most important factor.

The division met its downsizing objectives. The authors state that the long-term efficacy of the approach depends upon the division's ability to remain balanced.

* * *

Gilmore, T., & Hirschorn, L. (1983). Management challenges under conditions of retrenchment. *Human Resources Management, 22*(4), 341-357.

This article explores the causes of organizational retrenchment, as well as strategic and managerial implications. Gilmore and Hirschorn cite a number of factors that make organizational downsizing a particularly relevant subject for study. Among these are the record levels of white-collar workers included in layoffs, the scarcity of traditional promotion opportunities, increased attention to white-collar productivity, and economic "megatrends" that cause many companies to have to make major shifts in what they do and how they do it.

The uncertainty that results from these shifts has implications for both planning processes and critical management skills. From a planning perspective, the authors see a need to: (1) critically evaluate the past as a way to provide context about the future; (2) understand the introduction of change from an emotional as well as intellectual perspective; and (3) encourage individuals to actively plan their own future careers, in addition to participating in planning the organization's future.

Because the authors see credible communication as crucial to minimizing damage from organization cutbacks, strong interpersonal skills and judgment about what to say and what not to say are considered crucial for managers. Other skills that take on increasing importance in a period of downsizing include the ability to take appropriate risks, to take into account the relationship between the organization and its environment, and to clearly articulate an organizational mission.

* * *

Gordon, D. M. (1996). *Fat and mean: The corporate squeeze of working Americans and the myth of managerial downsizing.* New York: The Free Press, 320 pages.

This book argues that most American corporations have two destructive characteristics: they are fat, bloated with bureaucratic excess, and mean, so focused on profits that they are crushing middle- and lower-class workers in a wage squeeze. Gordon says that the downsizing trend that began in the 1980s has not made companies any less fat but has only succeeded in making them much meaner. In fact, the number of managers and supervisors in the U.S. workforce has actually grown during the 1990s, while real wages for the average American working household have fallen. Fat and mean companies operate by taking the "low road," in which workers are motivated to increase productivity by fear for their jobs, conflict, and management control. Gordon

says that the economic ramifications of taking the low road have had devastating effects on American families, which are forced to work harder and longer for less and less return. He criticizes conservative writers who have attributed the country's social and economic problems to an erosion of values, arguing that it is job insecurity and the wage squeeze that are at the real roots of these problems.

In contrast to the low road, the "high road" is characterized by cooperation, worker rewards, and rapid real wage growth. Gordon says that these business practices ultimately result in a healthier economy and social structure, and he offers five policy suggestions for moving the U.S. onto the high road: (1) increase the minimum wage, (2) reform labor laws to facilitate unionization, (3) make "contingent" employment less attractive to employers, (4) establish an investment bank to reward cooperative labor practices, and (5) expand management education and training.

* * *

Harvey, J. (1988). Eichmann in the organization. *The Abilene Paradox and other meditations on management*. Lexington, MA: Lexington Books.

In "Eichmann in the Organization," Harvey describes the debilitating effects of RIFs (reductions in force) on both implementers of RIFs and victims of RIFs. He uses the terms "marasmus" and "anaclitic depression" to describe a degeneration of the spirit that ensues (p. 97).

Harvey draws an analogy between RIFs—which he terms "a little murder" (p. 80)—and the Holocaust. The analogy is admittedly unbalanced; however, Harvey observes the dynamics to be the same. First, both situations involve some people colluding to save themselves at the expense of those whom they would victimize. In that respect, RIFs go counter to the innate human need for human attachments and bonding. The RIF itself sets in motion feelings of depression, isolation, and loneliness—which Harvey claims leads to the degeneration of the human spirit.

Also similar to the Holocaust, collaborators in the RIF process rationalize their thought processes in order to facilitate their actions. Harvey cites: (1) the need for a justifying theory, such as the Phillips curve notion that high unemployment is part of the price of keeping inflation down; (2) use of euphemisms, like referring to the firing of employees as "outplacement"; (3) use of clichés, like "bite the bullet"; (4) use of deceit; and (5) adherence to rules and regulations (or bowing to peer pressure) as justifying compliance with actions we would otherwise not be part of.

As a remedy to the destructive effects of RIFs, Harvey defends the concept of guaranteed employment. He thinks employees have a collective right to take part in decisions that might lead to the loss of employment. He thinks organizations could do more to encourage altruism; for example, he cites examples in which employees have voluntarily taken pay cuts or furloughs in order to avoid a RIF. He refers to the Danes' expression of love for humanity in refusing to allow deportation of Jews by the Nazis as an example that organizations need to learn from.

This work is a morality piece. In contrast to much of the other literature on downsizing, which suggests ways to ameliorate the effects of workforce reductions, Harvey focuses attention squarely and dramatically on the decision-making process that precedes the reductions.

* * *

Hirschorn, L. (1983, Summer). Managing rumors during retrenchment. *S.A.M. Advanced Management Journal,* pp. 4-11.

This article focuses on why rumors abound when organizations downsize, and points to their potential to disrupt morale. Hirschorn offers suggestions for minimizing the negative effects of rumors, the main themes of which are: (1) set the stage for open discussion about what might happen and professed futures; (2) ask managers to make every effort to be credible in helping employees make sense of the situation in a realistic but not overly optimistic way; (3) make it "okay" for people to plan for their own futures, even apart from the organization; and (4) if layoffs are a possibility, establish plans regarding such things as who goes first, advance notice, and outplacement assistance.

Hirschorn offers a sound basis for understanding the reasons why "rumor mills" abound in a cutback environment and provides sensible approaches management can take to bring the rumor mills under control.

* * *

Johnson, P. R., & Indvik, J. (1994). Workplace violence: An issue of the nineties. *Public Personnel Management, 23*(4), 515-523.

In this article, the authors suggest that violation of the "psychological contract" between employer and employee can be a key triggering event to workplace violence. Specifically, most employees who kill managers or colleagues have been fired, laid off, or in some other way "mistreated." The costs of workplace violence to organizations in North America are estimated

to be in the billions, including lost productivity, workmen's compensation insurance, and litigation.

The authors suggest several preventative recommendations: (1) have a trauma plan in place ahead of time; (2) address workplace violence issues in newsletter articles and training; (3) offer outplacement services to those laid off, and make psychological counseling available to all employees; (4) recognize the importance of managers dealing with subordinates in a fair manner; (5) encourage involvement through "empowerment"; and (6) encourage self-esteem through building self-esteem (e.g., acceptance of new ideas).

* * *

Kirsch, M. H. (1998). *In the wake of the giant: Multinational restructuring and uneven development in a New England community.* Albany: State University of New York Press, 160 pages.

To test his theories on the impact of large corporations on individual communities, Kirsch conducted an ethnographic study of Pittsfield, Massachusetts, a small New England town dominated by the local General Electric plant. He concludes that economic change in a community inevitably leads to cultural change, and describes how Pittsfield has coped with the upheaval that accompanied GE's downsizing in the late 1970s and early 1980s.

The concept of a "company town," with "native" industrial workers and "non-native" managers brought in by the company, developed only after the industrial revolution. One result of this development is that a town's economic well-being is often at the mercy of non-local managers and company leaders in faraway headquarters. Kirsch calls this disconnect between a community and its corporate citizen a method of keeping workers subservient to the company. Downsizings, which typically affect line workers and not managers, are another way of preventing workers from gaining a stake in the company and keeping communities dependent on the presence of a corporate citizen. This dependence makes adapting to changes in that presence difficult.

GE first came to Pittsfield in 1903 and for decades was the area's major industry, but between 1974 and 1983 the company cut three thousand jobs. The effects of the downsizing touched nearly everyone in this town of only 57,000, and included an overall drop in the town's population, a decline in real wages, and an increase in family poverty. Kirsch and his researchers also found increased levels of stress among residents. As community leaders attempted to compensate for the loss of jobs and tax revenue, divisions developed between citizens who wanted to attract new industry and those wary of big business who preferred to focus on local development efforts.

While city planners supported building a mall and a bypass in Pittsfield, former GE employees who started small entrepreneurial businesses resented what they saw as a lack of town support.

The book concludes with a description of the health crisis that developed in Pittsfield after citizens discovered several toxic waste sites left by GE. Many people blamed these sites for an increase in local disease rates, although GE denied any connection and health officials could come to no solid conclusion. Kirsch says that with economic development comes social responsibility, but that power and money ultimately dictate how a company treats a town and the people in it.

* * *

Krantz, J. (1985). Group processes under conditions of organizational decline. *The Journal of Applied Behavioral Science, 21*(1), 1-17.

This article discusses the impact of individual anxieties on group behavior under conditions of organizational decline. Case studies are used to illustrate the findings. The author concludes that managing the process of decline is extremely difficult, because at the very time when careful thought and planning are most needed, people tend to be anxious and inclined toward escapist behavior. Leaders have a difficult time managing effectively as they personally become targets for hostility after threatening decisions are made.

Three management implications are: (1) management must anticipate increased organizational dysfunction; (2) the angry and depressive phases of the mourning process related to loss must be acknowledged; and (3) the increased prevalence of personal needs during times of stress needs to be acknowledged; the organization may even want to help people consider their futures, such as by providing career counseling.

* * *

Marks, M. L. (1994). *From turmoil to triumph: New life after mergers, acquisitions, and downsizing.* New York: Lexington Books, 340 pages.

This book addresses middle managers and senior executives who are in the midst of or preparing for the turmoil created by downsizing, merger, or some other organizational transition. It is intended to legitimize the anxiety and suffering that they experience while offering the hope that transitions can be used to achieve a better, more effective organization.

Marks's central notion is that the period of transition associated with downsizing or other major organizational changes is both fraught with peril and filled with opportunity for creating what he refers to as a "new organiza-

tional order." The opportunities that are inherent in the new organizational order include, among others, revitalizing the spirits of em loyees, enhancing workforce capabilities and methods, and clarifying and se ing priorities around a mission.

Consistent with a transition model, Marks sees a period of time in which organization employees will experience a certain amount of confusion, uncertainty, and stress. It is part of the "letting go" process that precedes acceptance of the new organizational order. Marks recommends that management should make efforts to minimize the damage to morale and productivity. Attention to issues of fairness is essential.

At the same time, the organization's goal should be to maximize the beneficial potential for the transition by communicating honestly and thoroughly about the reasons for the transition as well as the expectations of employees in the new order. Marks's position on the central role of communication is summarized by "tell all you can and tell the truth." Marks further recommends that employees be given opportunities to express their feelings and thoughts fully.

As part of communicating the new order, Marks recommends that an organization explicitly lay out the changes it expects to implement in a "psychological work contract" with employees. Organizations should be prepared to support individuals with fair rewards, new skills, and career development opportunities. Work teams are a similar focus of improvement activities. Leadership should be empathetic toward people and should model desired behaviors. Marks cites empirical studies and case examples in support of his views.

Marks offers an account of the transition process that expresses the realities of stress and uncertainty, yet ultimately offers a hopeful prognosis. He makes a strong case for a forthright approach to communications with employees.

* * *

Mellor, S. (1992). The influence of layoff severity on post-layoff union commitment among survivors: The moderating effect of the perceived legitimacy of a layoff account. *Personnel Psychology, 45,* 579-600.

This study surveyed 355 layoff survivors who were union members at fifteen manufacturing sites. At each of the sites, management had implicated the union as the culpable party responsible for the layoffs. The survey measured the extent to which respondents, in retrospect, found the company's

account to be credible and, further, their commitment to the union following the layoff.

The survey results suggested that the company's communications about the layoff effectively identified the union as the causal agent of the layoffs, resulting in a decrease in commitment to the union. Three practical implications follow: (1) a company can use communications about layoffs to lessen employee commitment to a union; (2) unions can and may have to use communications following a layoff also, either to counteract the company's communications or to increase their members' commitments to the union; and (3) the possibility exists for management and union to collaborate on communications that divert the blame for the layoffs to an external party.

The author notes that the observed effect was small, and urges follow-up research.

* * *

Miller, M. V., & Robinson, C. (1994). Managing the disappointment of job termination: Outplacement as a cooling-out device. *Journal of Applied Behavioral Science, 30*(1), 5-21.

Miller and Robinson provide a critical review of practices within the outplacement industry. They argue that the industry exploits contradictory impressions about what they do. To persons who have been terminated from their job, the industry presents itself as being primarily interested in their welfare: accepting the reality of their job loss, giving them an opportunity to vent their emotions, and facilitating their re-employment. To terminating employers, the outplacement industry represents itself as primarily utilitarian to employers: reducing lawsuits and presenting the company as a good public citizen that cares about its employees.

The authors suggest that human resource professionals should consider adoption of outplacement concepts that would be more respectful of terminated workers. One way of implementing that respect would be to allow employees to select their own consultants or to accept additional severance pay in lieu of outplacement assistance.

The authors further suggest that the outplacement industry does a disservice to all by suggesting to employers in their marketing that the social and economic costs of firing are insignificant if they employ outplacement services as part of their strategy. In pursuing that strategy, the outplacement industry contributes to the already rampant practice of termination as a management tactic.

* * *

Mishra, K. E., Spreitzer, G. M., & Mishra, A. K. (1998, Winter). Preserving employee morale during downsizing. *Sloan Management Review, 39*(2), 83-95.

Although downsizing has become a common business practice, the authors say that often the expected benefits do not materialize. They call the destruction of employee trust and empowerment the dark side of downsizing, and offer strategies for preserving these qualities during the downsizing process.

The decision to downsize is described as having four stages, and the authors recommend certain actions at each stage. The first step is making the decision to downsize, which should be used only as a last resort. Once the decision is made, management must craft a credible vision of how the downsizing will help the organization compete. The second stage in the process is planning the downsizing. The actions to take in this stage include using experts to smooth the transition, providing training for managers on how to communicate with employees about the downsizing, and supplying information on the state of the business. In the third stage, making the announcement, it is important to notify employees in advance, explain the rationale, and offer employees the day off. In the final stage of implementation, organizations should be generous to laid-off employees, help them find new jobs, train the survivors, and announce any subsequent downsizing actions promptly.

An action plan for dealing with different constituents assesses the needs and risks of groups including survivors, community leaders, and the media, and offers potential responses. While the needs and responses of each constituent group differ, the importance of communicating all available information and supporting both laid-off employees and survivors is emphasized.

* * *

Mohrman, S. A., & Mohrman, A. M., Jr. (1983). Employee involvement in declining organizations. *Human Resources Management, 22*(4), 445-465.

The authors present efforts to increase employee involvement in the workplace as a positive approach to improving organizational performance. Three factors are identified as critical to getting people more involved: (1) managers must be more attendant to the needs and welfare of employees, (2) human welfare must be a factor in the organizational decision-making process, and (3) attention must be given to the need for effective communications. In declining organizations, which are generally characterized by uncer-

tainty about the future, shrinking resources, job insecurity, and lack of local control, the elements that usually facilitate high involvement are missing.

The authors' experience and case study research confirm the difficulties of implementing high-involvement approaches in the midst of decline. Some successes were found, however. One such successful change effort included such key elements as a crisis acknowledged by all, trust between plant personnel and the change agent, local plant autonomy, and measurement systems.

The authors emphasize throughout the need for the organizational leader to play a strong, positive role.

* * *

Noer, D. (1993). ***Healing the wounds: Overcoming the trauma of layoffs and revitalizing downsized organizations.*** San Francisco: Jossey-Bass, 248 pages.

This book is addressed to organization managers and leaders, layoff survivors, and layoff victims. Its essential purposes are, first, to help these groups understand the feelings they experience as they undergo the inescapable shift in terms of the psychological contract held between employee and organization and, second, to present productive coping responses at the organizational and individual levels.

Noer theorizes that there has been a paradigm shift in the psychological employment contract between organizations and individuals. That shift has moved the unstated contract from the idea that people are assets to be developed to the idea that people are costs to be reduced; from a language of development and assistance to a terminology of destruction; from long-term careers to short-term jobs; and from the idea of "bigger is better" to "lean and mean."

Noer uses the concept of "survivor illness" to describe the traumatic effects that are visited upon those who remain in the organization in the aftermath of layoffs. As support for his theory, Noer conducted a combination of group and individual interviews in a private organization in the computer industry, which had laid off a significant portion of its workforce. Following analysis of the interview transcripts, Noer concluded that the themes expressed support for the notion of the presence of survivor illness. These included insecurity about their jobs; a sense of being treated unfairly; and depression, stress, fatigue, and anger. A less extensive series of group interviews conducted five years later (and after continued reductions) revealed the

continued existence of a similar set of feelings, leading Noer to theorize that time alone does not "heal the wounds."

Noer proposes a four-level intervention model to alleviate the effects of survivor illness. Level 1 is managing the layoff processes appropriately with clear and abundant communication. Level 2 is facilitating the necessary grieving by giving everyone involved free expression for their feelings about the layoffs. Level 3 is breaking the co-dependency chain and encouraging individuals to detach their sense of identity and worth from the organization. Level 4 is building a new employment relationship in which individuals are rewarded for their good work alone, not for their tenure within the organization.

Noer argues that these interventions can help organizations move away from paternalistic employee relationships to situational relationships. Under this new contract, jobs are explicitly contracted on a short-term basis; movement in and out of the organization is encouraged; and good work is the key denominator.

• • •

O'Reilly, B. (1994, June 13). The new deal: What companies and employees owe one another. *Fortune,* pp. 44-52.

The purpose of the article is to describe a new form of employment relationships in U.S. corporations. The old arrangement, in which loyalty is traded for employment security, is virtually extinct. The article reports on changes taking place in a number of companies, including Chevron, AT&T, Prudential, and American Express.

The article summarizes the direction in which employment relationships are moving: Employers are now seeing a need to be more honest with employees about what they can and can't deliver in terms of job security. Employers are taking on more responsibility for providing satisfying work and opportunities to learn new skills. Employees are expected to be more entrepreneurial about how they continue to add value to an organization, as well as to take more responsibility for keeping work skills appropriate and up to date.

• • •

Reger, R. K., Mullane, J. V., Gustafson, L. T., & DeMarie, S. M. (1994). Creating earthquakes to change organizational mindsets. *Academy of Management Executive, 8*(4), 31-46.

The authors argue that the dynamic environments in which organizations operate necessitate fundamental change. Restructuring, rightsizing, and

reengineering are all depicted as efforts to create fundamental change. The focus of the article is on overcoming resistance to change. Suggestions include conducting an organizational audit before beginning any major change effort; tailoring the change to fit the organization; presenting the change as significant, while linking it to characteristics of the organization that are valued; introducing change in a series of steps; and finding opportunities to demonstrate success.

* * *

Smeltzer, L. R., & Zener, M. F. (1992). Development of a model for announcing major layoffs. *Group and Organizational Management, 17*(4), 446-472.

Based on existing literature, the authors developed a model for announcing major layoffs. The model was used as a framework for analyzing eight cases of layoff announcements. In each of these cases, the announcement was not as effective or efficient as management wished. The authors present a "rudimentary" revised model and include in their recommendations: (1) develop a strategy for the announcement of layoffs; (2) let the long-term organizational history, culture, and climate guide the timing and content of the announcement; (3) create an informal "rumor control" system; (4) be first to tell employees about layoffs; (5) be aware of how provocative layoffs will be among employees; (6) consider announcements for multiple audiences; and (7) attend to legal considerations.

* * *

Smith, L. (1994, July 25). Burned-out bosses. *Fortune*, pp. 44-46, 50, 52.

The author cites anecdotal evidence and opinions from management experts to document the intense pressure experienced by managers who are being called on to fire people as part of restructuring/downsizing. The trauma is described by such terms as "burnout," "survivor sickness," and "paralyzing." Firing takes a toll on the self-esteem of managers and drives many into bouts of overwork. Managers say that they feel they have violated the trust of those who report to them. There is a definite tension between their managerial roles of teammate and nurturer and their assigned function of "executioner."

The author concludes with an acceptance that restructuring has become a fact of business life today, but urges that companies find ways to acknowledge the stress that surviving employees experience. He also recommends that an organization clearly communicate to managers the reasons for the

downsizing and spell out which of the company's traditional values will be preserved and which will not.

* * *

Stoner, C. R., & Hartman, R. I. (1997). Organization therapy: Building survivor health and competitiveness. *S.A.M. Advanced Management Journal, 62*(3), 25-31.

The authors describe downsizing as a surgery that companies in bad health use to improve the organization's condition. However, these surgeries can sometimes harm the organization, and it is the survivors, employees that remain after a downsizing, that are the key to surgical success. Managers must understand these survivors and deal with them effectively to ensure organizational improvement.

Survivors typically experience emotional reactions to a layoff, including fear, depression, guilt, anger, distrust, anxiety, and stress. These reactions have seven potential impacts on the organization: (1) lower satisfaction and morale, (2) higher rates of absenteeism and turnover, (3) increased workers' compensation claims, (4) a decline in job loyalty, (5) more cautious employees who are less willing to take risks, (6) lowered confidence in management, and (7) less psychological involvement of employees.

Organizations can help survivors deal with their feelings and avoid the negative organizational consequences by engaging in organizational therapy. This therapy has two goals: to rebuild in survivors a sense of trust in the organization and to renew the commitment between employees and the organization. Two processes, communication and clarification, are used to reach these goals. Communication includes talking to employees, facilitating survivors' expression of their feelings, and listening to employees. Clarification means that the organization must clarify its strategic direction, performance outcome expectations, key operating values and ground rules, and the new expectations of employee and employer.

* * *

Sutton, R. I., & D'Aunno, T. (1989). Decreasing organizational size: Untangling the effects of money and people. *Academy of Management Review, 14*(2), 194-212.

The authors discuss the literature related to organizational decline. Their concern is with integrating perspectives associated with decline in monetary resources with perspectives on workforce reduction. Their belief is that full understanding of these perspectives comes from understanding both

the negative psychological reactions (insecurity, guilt) that are experienced by survivors of workforce reductions as well as the sociological necessity to provide different forms of control and coordination for different size organizations.

The authors draw a distinction between short-term effects of workforce reductions, which include increased anxiety among organization members and consequent increased rigidity in how work is structured, and long-term benefits to the organization that accrue as anxiety among organization members lessens and the decreased demands for coordination and control of a smaller workforce results in a more flexible, less mechanistic organization of work.

* * *

Sutton, R. I., Eisenhardt, K. M., & Jucker, J. V. (1985). Managing organizational decline: Lessons from Atari. *Organizational Dynamics, 14,* 17-29.

This article uses the handling of layoffs by Atari management in 1985 as a case study in how not to conduct layoffs. The focus of the article is the lessons that can be learned by those others involved in the management of declining organizations. The authors cite eight positive strategies, including: evenhandedness in implementing layoff policies, advance warning and dignity toward laid-off employees, reemployment support, and caution in hiring outside executives.

* * *

Waterman, R., Waterman, J., & Collard, B. (1994, July-August). Toward a career-resilient workforce. *Harvard Business Review,* pp. 87-95.

The article is premised on the demise of the "old covenant," which involved the offer of job security in exchange for acceptable performance and some measure of loyalty. The authors advocate a shift to a "new covenant," in which the focus is on employability rather than on employment. Under the new covenant, the employee is responsible for managing his or her own career; the employer has the obligation to provide employees with tools and opportunities for assessing and developing their skills.

The ultimate goal is a "career-resilient" workforce and a nimble, competitive company. Key concepts include a dedication to "continuous learning" and to "benchmarking" one's skills in order to continuously improve.

The authors cite the efforts of several Silicon Valley companies as indicative of the new covenant's possibilities. Illustrations of approaches used are: a company career center that offers assessment instruments, job reference

information, skill workshops, and confidential counseling; company policies that support freedom of movement within the company and "no fault" exits; and setting up "information networks" among employees.

The authors stress the criticality of top management involvement in and support of the new covenant, as well as the need for business and human resources strategies that are congruent with this forward-thinking approach.

* * *

Wong, L., & McNally, J. (1994). Downsizing the Army: Some policy implications affecting the survivors. *Armed Forces and Society, 20*(2), 199-216.

This article describes the study of the effect of organizational downsizing on Army officers who remain in the organization. Based on preliminary focus group research and a review of literature, Wong and McNally used a questionnaire to test several organizational commitment-related hypotheses. These included: (1) organizational commitment will be lower after downsizing than before downsizing (because of the violation of the "informal" contract between the Army and its officers); (2) effective communication of the downsizing plan is positively associated with commitment; (3) perceived fairness of both separation incentives to those who leave voluntarily and transition assistance to those who leave involuntarily is positively associated with commitment; and (4) there is a negative relationship between commitment and the number of incentive-takers known by the survivor. All of the hypotheses were supported by the findings.

Wong and McNally comment on the effectiveness of a comprehensive effort to communicate the policies and values of the Army with respect to the downsizing called the "Chain Teaching Program." The program included a videotape featuring the Secretary of the Army, a detailed briefing script, and a question-and-answer document. The authors recommend continued use of the program as part of an overall approach of monitoring. They also suggest taking steps to reduce the decline in organizational commitment.

* * *

Individual Perspective

The articles and books annotated in this section discuss the effects of job loss on individuals (both those who remain employed and those unemployed by a workforce reduction) and how individuals do, can, and should cope in these stressful and uncertain times. The key themes as presented in the literature revolve around the effects of job loss on personal well-being and the various ways that individuals cope with job loss:

Organizational downsizing creates stress for individuals (Ashford, 1988; Bridges, 1994; Lublin, 1993; *New York Times,* 1996).

Loss of jobs from layoff creates significant adverse effects on personal well-being (Caplan, Vinokur, Price, & Van Ryn, 1989; Iverson & Sabroe, 1988; Kessler, Turner, & Honse, 1988; Liem & Liem, 1988; *New York Times,* 1996; Warr, Jackson, & Banks, 1988).

Personal control and tolerance of ambiguity help to relieve stress (Ashford, 1988; Bridges, 1994; Caudron, 1996).

People who are proactive and self-reliant are more likely to cope successfully with the turbulence of transition (Bridges, 1994; Kiechel, 1994; Mone, 1994; Parkhouse, 1988).

Social support aimed at increasing job-seeking skills and enhancing motivation can have a positive impact on people's job-seeking behavior (Caplan et al., 1989; Vinokur, Van Ryn, Gramlich, & Price, 1991).

Annotations

Ashford, S. J. (1988). Individual strategies for coping with stress during organizational transitions. *Journal of Applied Behavioral Science, 24,* 19-36.

The purpose of the article is to analyze, first, the role of organizational transition in creating stress among employees and, second, the impact of various coping mechanisms used by employees to mediate stress. The research is exploratory in nature.

Ashford cites a lack of literature exploring the impact of organizational transition upon employees and upon the way employees attempt to cope with transitions. She hypothesizes that organizational transition will result in feelings of uncertainty among employees.

From the literature on coping mechanisms, she outlines several kinds of coping resources (i.e., capabilities for coping) as well as several kinds of coping responses (i.e., specific steps taken to cope with a situation). Coping resources include such traits as a sense of ability to control situations, self-esteem, and a tolerance for ambiguity. Coping responses include such actions as defining a threat as an opportunity, avoidance, information-seeking, and sharing of emotions. The author hypothesizes that various coping resources and coping responses will help to alleviate individual stress.

Ashford administered questionnaires to employees in the marketing department of a regional Bell Telephone operating company one month before a major planned restructuring in 1982. Completed questionnaires constituted a response rate of 55 percent. Six months after the restructuring, employees who had filled out the first questionnaire were surveyed again; 46 percent responded.

Findings revealed that the hypothesis that organizational transition would create stress among individual employees was strongly supported.

The use of coping resources and responses proved only marginally useful in alleviating stress. Among coping resources, only feelings of personal control and tolerance of ambiguity related positively to reductions in stress. Among coping responses, only sharing of emotions with others was found to ameliorate stress. Employees who tried to cope by seeking feedback about themselves actually reported increased stress.

Ashford cites several limitations of the study, including the use of self-report, common method variance, a non-random sample and, perhaps, a unique organizational transition, given the scope of the Bell System reformation. Ashford's suggestions for future research include the use of qualitative

methods, exploration of the value of various management interventions to reduce stress, and the study of coping mechanisms used by groups, rather than just by individuals.

* * *

Bridges, W. (1994). *Job shift: How to prosper in a workplace without jobs.* Reading, MA: Addison-Wesley, 257 pages.

The two central theses of this book are: (1) the concept of a "job" as we know it is a social artifact of the industrial age whose usefulness has expired and (2) those who prosper and achieve in the years ahead will be proactive and take responsibility for their own future.

In the first thesis, Bridges documents the extent of downsizing and outsourcing and argues that technology will both enable and drive organizations to push further in that direction. On the whole, Bridges is unsentimental about the change in the concept of the "job" because he sees its typical qualities (a 9-to-5 existence with routine responsibilities, job descriptions, and security) as confining to the individual.

Bridges advocates that individuals revolutionize that viewpoint. He urges workers to think of employment security as something of our own creation, resulting from the willingness and ability to market our services effectively. Even persons who are in positions that we think of as traditional jobs should think about themselves as vendors who have been hired to perform a specific task. Security, according to this view, comes from three primary sources: (1) having abilities and attitudes needed by an organization at a particular time, (2) the ability to think like an external vendor, and (3) resilience to the turbulence that defines the current economic climate.

Bridges takes an optimistic view toward change. He urges individuals to come to terms with the endings that are part of our existence, whether by choice or not (for example, a layoff). Essential to that task is taking stock of individual abilities, desires, temperament, and assets. To complete that inventory, Bridges suggests four key questions for individuals to consider: (1) What do I really want to do at this point in my life? (2) What am I really good at? (3) What kind of person am I and what are my preferred ways of relating to the world? (4) What advantages do I have or what about my life history can be turned to my unique advantage?

Bridges concludes with what he considers to be the central elements of the post-job organization. In his view, such an organization is a much flatter, leaner outfit with relatively few core employees who utilize external

contractors in place of support staff and contingency workers to meet temporary needs.

* * *

Caplan, R., Vinokur, A., Price, R., & Van Ryn, M. (1989). Job seeking, reemployment, and mental health: A randomized field experiment in coping with job loss. *Journal of Applied Psychology, 74,* 759-769.

The purpose of the study was to test theories about the importance of sticking to difficult courses of action as a way of coping with job loss. The authors theorize that job loss is a major life event that puts affected people at risk for a number of negative mental health outcomes, including decreased self-esteem and increased depression and anxiety.

Research has indicated that social support, aimed both at increasing job-seeking skills and enhancing motivation, could positively influence the job-seeking behavior of persons who are looking for work.

To test the theory, over 1,000 persons were approached in line at four unemployment compensation offices in the State of Michigan. Culled from this group were an "experimental" group that participated in eight three-hour training sessions over a two-week period and a "control" group that received a short booklet on job-seeking tips. Participants were asked to fill out a pre-experiment survey and were surveyed twice after the experiment (at six weeks and then at four months).

The survey results indicated that those in the experimental group had significantly greater success in becoming reemployed (and in their main occupations at higher wages) than those in the control group.

Replicating other studies, people who were successful in getting reemployed were in significantly better shape than those who remained unemployed on aspects of mental health such as self-esteem and quality of life, as well as avoidance of depression, anxiety, and anger.

* * *

Caudron, S. (1996, January). Teach downsizing survivors how to thrive. *Personnel Journal, 75*(1), 38-48.

This article offers tips on coping with what has been referred to as "survivor syndrome." Caudron argues that companies need to do much more to help employees deal with the trauma of downsizing than what they do at present. The human resources function is viewed as a source of help to employees through provision of emotional support, role clarification, and career management assistance.

Caudron suggests a "survival kit" that covers eight ameliorative aspects: identifying coping skills, expecting things to turn out well, meeting regularly with a small support group of co-workers experiencing the same kinds of frustrations, humor, remaining flexible and adaptable, listening to your "hunches," practicing empathy, and helping others cope.

Caudron also suggests that the human resources function can be a catalyst within the organization to make sure there is (1) ongoing communication about the downsizing processes before, during, and after; (2) acknowledgment of the distress that survivors experience; and (3) clarification about the new roles and responsibilities of each individual employee.

* * *

Gordon, R. H., & Harold, C. E. (1997). *Climb a fallen ladder: How to survive (and thrive!) in a downsized America.* New York: Hatherleigh Press, 250 pages.

Gordon uses stories from her psychiatric practice to illustrate the destructive psychological effects layoffs have on individuals, including workers who lose their jobs, survivors, and executives who implement downsizings. Individuals are often emotionally overwhelmed by a downsizing, and it is important for them to acknowledge and express those feelings. However, they should also try to view downsizings as an opportunity to rethink their careers and reevaluate their priorities.

Living in constant fear of being downsized has turned the American workforce into "working wounded." This fear can lead to panic attacks, depression, anger, and a variety of physical, stress-related complaints; since downsizings are likely to continue it is up to individual workers to manage their emotions and avoid these negative consequences. One way to reduce fear and relieve stress is to begin "thinking like a free agent." Individuals who actively manage their careers, examining opportunities both in and out of their current organizations, can better handle the emotions that may accompany a layoff. Developing a network of friends and colleagues is another important way of handling a downsizing's emotional fallout; this network can act as a safety net in the case of a job loss. Individuals who are downsized should expect to feel strong emotions and should not be embarrassed to seek professional psychiatric help if needed. It is also important to remember that a person's job does not define their worth, and recognizing that "you are not your job" is a necessary skill for surviving in today's turbulent workforce.

The authors conclude by offering downsized individuals advice on how to deal with their families. Forming a "team of two" with a spouse can help

an individual weather difficult times during a job loss. This works best when both partners fully communicate their feelings while not taking out their frustration and anger on the other. Parents should be honest with their children about layoffs and their feelings about them but should avoid sending the message that work is inherently bad. In today's economy, downsizings have become simply one more life experience that individuals must learn to handle and move past.

• • •

Iverson, L., & Sabroe, S. (1988). Psychological well-being among unemployed and employed people after a company shutdown: A longitudinal study. *Journal of Social Issues, 44*(4), 141-152.

This article reports on the findings of a three-year longitudinal study involving 1,153 unemployed persons who used to work at a shipyard in Denmark that had been shut down and a control group of 441 workers currently employed in a shipyard in Denmark. The object of the study was to discern differences in psychological health between unemployed workers and employed workers. Psychological health was measured in reference to feelings of strain, depression, worthlessness, willingness to face up to problems, and thinking that life is not worth living. Data were collected by questionnaire.

The authors found a highly significant relationship between reduced psychological well-being and unemployment in each of the years the questionnaire was administered. This study adds to the documentation of the ill effects of unemployment on mental health.

• • •

Kessler, R. C., Turner, J. B., & Honse, J. S. (1988). Effects of unemployment on health in a community survey: Main, modifying, and mediating effects. *Journal of Social Issues, 44*(4), 69-85.

This article reports on the results of a community survey of high-unemployment census tracts in southeastern Michigan. Those who were currently unemployed showed significant elevations of depression, anxiety, and self-reported physical illness. Among those who regained employment, the adverse physical effects were largely reversed.

• • •

Kets de Vries, M. F. R., & Balazs, K. (1997). The downside of downsizing. *Human Relations, 50*(1), 11-50.

Kets de Vries and Balazs applied clinical psychological analysis to over 200 interviews with participants in company downsizings in order to examine the reaction patterns of individuals. This type of clinical analysis is useful because downsizing involves a break in the "psychological contract" between employer and employee, and the effects of such a break on individuals are best described in psychological terms.

Three primary groups of people are affected by downsizings—victims, survivors, and executioners—and each group has a unique set of responses. Victims exhibit four typical patterns of coping: some are adaptable and handle their layoffs with little drama, some "do a Gauguin" and change careers, some become depressed, and some react with anger and become antagonistic. Survivors tend to distance themselves either from layoff victims or from the company, but almost all survivors perceive a permanent change in their relationship with their organization.

Executioners are the executives responsible for initiating and implementing downsizings, and they are often ignored in downsizing studies. However, executioners face added psychological challenges because in addition to handling their own emotions they are considered responsible for the emotions of victims and survivors. The authors identify six types of executioners: adjusted, compulsive/ritualistic, depressed, alexithymic/anhedonic, abrasive, and dissociative. Understanding these executioners is critical to understanding the dynamics of downsizings and how to improve the process.

If a downsizing is necessary, it is essential to communicate all available information to everyone involved, to monitor stress levels in all three groups of actors, and to avoid turning either the victims or the executioners into scapegoats. When done badly downsizing can be a blunt and painful instrument, but when seen as a part of a larger corporate transformation it can be an effective business strategy.

* * *

Kiechel, W., III. (1994, April 4). A manager's career in the new economy. *Fortune*, pp. 68-72.

In this cover story, Kiechel draws on expert opinions to lay out what he calls "possibilities" and "certainties" to describe work in the future. Possibilities include: (1) The job as we know it will cease to exist; work will be done on a project basis. (2) America will be an economy of one-person (or very

tiny) organizations. (3) "Hyperspecialists" will thrive in a world in which electronic networks create one massive marketplace. (4) Managers will be paid no more than members of their work teams.

Certainties include: (1) The American economy will be a service (as opposed to production) economy. (2) To succeed, you will have to know how to use computer and telecommunications technology. (3) Task forces/project teams set up to address specific issues will be more frequently used. (4) There will be fewer managers. (5) You cannot depend upon lifetime employment with an organization. (6) Lifelong learning will be critical to individual success.

Kiechel describes four points to the "new compass" of a manager's career: self-reliant, specialist, team player, generalist.

* * *

Liem, R., & Liem, J. H. (1988). Psychological effects of unemployment on workers and their families. *Journal of Social Issues, 44*(4), 87-105.

This article reviews findings from a panel study of unemployed blue-collar and white-collar workers and their families. The findings support the notion that involuntary unemployment created significant increases in stress for both workers and their spouses, particularly in the short term. At the same time, the authors found evidence of resilience among the unemployed, and suggest that mental health planning models need to take into account both the hardships and the resilience of the unemployed and their families.

* * *

Lublin, J. (1993, December 6). Walking wounded: Survivors of layoffs battle angst, anger, hurting productivity. *Wall Street Journal,* pp. A1, A16.

The article describes the effects of "survivor's angst," which affects many layoff survivors. Companies are not experiencing the productivity and profitability gains expected from layoffs, the article says, because survivors often feel stressed out, anxious, overworked, and depressed.

The author reports on conversations with workers from Jostens Learning, an educational software maker that had recently undergone substantial layoffs. Workers described the death of an informal, family-style atmosphere within the organization. In its place, people described tremendous anxiety and concern. People were being asked to work harder in the absence of their colleagues, and many found it harder to focus on their work tasks at all. Physical symptoms described included sleepless nights, upset stomachs, and

grinding of teeth. People talked of constantly wondering if they would be next to be laid off and of feeling constantly tired.

• • •

Mishra, A. K., & Spreitzer, G. M. (1998). Explaining how survivors respond to downsizing: The roles of trust, empowerment, justice, and work redesign. *Academy of Management Review, 23*(3), 567-589.

This article develops a typology of survivors' responses to downsizing and identifies factors affecting those responses. The focus is on survivors, because it is their reactions that can facilitate or hinder a downsizing. Although survivors experience many different reactions, two central dimensions of the reactions—constructive/destructive and active/passive—are described. These dimensions are used to identify four archetypes of survivor responses to downsizing: fearful (destructive/passive), obliging (constructive/passive), cynical (destructive/active), and hopeful (constructive/active). These archetypes are not mutually exclusive; survivors may display characteristics of several and their responses may change over time.

The authors say that when survivors perceive a downsizing as threatening they will react less constructively, and that when secondary appraisal shows them that they can cope with the downsizing effectively they will respond more actively.

More study is needed to identify the specific effects of each response archetype on the individual and the organization. For example, while hopeful survivors may be most effective in their organizations, they are also in danger of burning out; a fearful response may hamper the organization but can be protective for the individual. The authors suggest a longitudinal study examining the effect of personality types on survivor responses and on the process of survivor response. They also hope that managers can use this research as a guide to the best ways to implement downsizings.

• • •

Mone, M. A. (1994). Relationships between self-concepts, aspirations, emotional responses, and intent to leave a downsizing organization. *Human Resources Management, 33*(2), 281-298.

This study, using a survey of a single organizational setting, found evidence connecting the extent to which high sense of self-efficacy and self-worth related to an intent to leave the organization. More specifically, the study addressed the concern of the organization's best performers being among the first to leave in a downsizing situation. Mone urges organizations

that are planning for downsizing to develop a strategy for retaining their most competent performers and to pay careful attention to ensuring that training is consistent with duties during and after the downsizing, appraisal systems, and reward systems.

• • •

The New York Times. (1996). *The downsizing of America.* New York: Random House.

The purpose of this book is to present, from multiple viewpoints, the impact of downsizing on the millions of Americans affected by it. The book is a compilation of special reports published in the newspaper in the spring of 1996. These reports use individual cases to create an overall impression of very real pain and suffering.

The individual chapters document the pervasiveness of downsizing in the United States: the anxiety and anger in a major bank downsizing; the stories of two laid-off workers, one blue-collar and one white-collar; the turmoil that resulted from the downsizings that occurred at NCR in Dayton, Ohio; the fortunes of members of Bucknell University's class of 1970, many of whom have lost their faith in the future and the belief that hard work gets rewarded; a look at how the edginess and insecurity of workers nationwide was being echoed and responded to in the presidential primary season; and a look at various efforts underway by organizations as diverse as United Airlines and Intel.

The book also includes reporting based on data collected from a *New York Times* national survey that documented the downsizing phenomenon. Among its findings: (1) In one-third of all U.S. households, a family member has been laid off. Nearly 40 percent more have a friend or neighbor who has been laid off. (2) In contrast to the early 1980s, the majority of those laid off in recent years are people with at least some college education. (3) Most (65%) of those who are laid off and later reemployed do so at reduced compensation. (4) The inequality of incomes has increased. Between 1979 and 1994, average household income grew by 20 percent; however, 97 percent of that gain was divided among the richest 20 percent.

Also included in the book is a sampling of letters received by the *New York Times* in response to the articles. Further, a "reporter's postscript" allows each of the authors to reflect on how they felt personally as they compiled their stories and reveals that, as a group, the writers were more deeply moved by the anxiety, nervousness, and anger of the people whose

stories they chronicled than they had expected to be, given their positions as objective journalists.

* * *

Parkhouse, G. C. (1988, January-February). Inside outplacement: My search for a job. *Harvard Business Review, 66*(1), 66-73.

This article is a first-person account of the job search experience of an executive who had been laid off from his job. The involvement and efforts of an outplacement firm were a primary focus of his story. The firm helped him think through and organize a job search plan, and provided administrative support. In the end, he found the value of the outplacement services in the way it boosted his morale, and thought that service was as valuable as the particular job-hunting techniques he learned.

In the end, the author learns that it is his job search, not the outplacement firm's job search. This discovery prompts a career shift that leads to a deeper personal satisfaction.

* * *

Rice, C. S. (1998). *Dodging downsizing: Proven strategies for job security in tough times.* Lincolnwood, IL: VGM Career Horizons, 192 pages.

Rice paraphrases Machiavelli to say that while 50 percent of our lives are controlled by others, 50 percent are up to us. Therefore, individuals can exercise some control over their professional lives even when facing a downsizing. In this book, forty-eight strategies for surviving a downsizing are divided into four categories: (1) the environment, (2) outside factors you can't control, (3) inside factors you can control, and (4) ways to get a better job. These strategies encourage the reader to approach the working world as a war zone and view downsizing as an enemy to be defeated.

The first step is to arm yourself with knowledge about the downsized landscape. Strategies for dealing with the environment include: understanding the downsizing threat, recognizing why some bosses like to fire, and realizing it's not your fault. The second section offers strategies for protecting yourself from outside factors and surprises. These strategies include: planning for a sales crash, surviving a management reorganization, and dealing with being labeled "overqualified." The third section describes strategies that individuals have more control over. Some of these are: avoid being too agreeable, figure out your boss's real agenda, sidestep personality clashes, and protect yourself from the boss's pet project. Finally, Rice describes strategies for finding a better job, whether you were downsized or chose to leave an organization.

These include: working with placement agencies, acing the psychological test, taking a stopgap job, and finding job security in the government or military.

* * *

Rudolph, B. (1998). *Disconnected: How six people from AT&T discovered the new meaning of work in downsized corporate America.* New York: The Free Press, 224 pages.

This book uses the stories of six people laid off from AT&T during the mid-1990s to show how downsizings affect individuals. These stories also illustrate a larger societal shift from a corporate world of white-collar job security and company loyalty to one of insecurity and individualism. According to the author, the idea of the company as a family where workers could spend their careers developed after World War II and was already fading by the 1970s, and she cites statistics showing a decrease in both job security and job tenure for middle-class workers over the last twenty years.

AT&T in particular was a company known for offering secure jobs and inspiring loyalty in its workers, but between 1984 and 1995 the company cut over 120,000 positions. Rudolph interviewed six former AT&T employees and dedicates a chapter to each, describing her subjects' childhoods, families, career histories, work at AT&T, feelings about the downsizing, and post-layoff actions. In these stories she identifies three patterns of post-downsizing experience: moving on, returning to the fold, and solitary retreat. The moving on section profiles a sales account executive, an engineer, and a customer service manager. All found jobs with other firms after being downsized but in the process lost a sense of familial loyalty to their employer and the ability to define themselves solely by their work. An operator and a business strategist who returned to the fold to work at AT&T after being downsized say that they no longer see the company as a coherent or caring entity but have a more cynical view of the corporate world. Finally, the author describes a middle manager who was paralyzed by the downsizing, unable to find a new job, and essentially retreated from the working world.

Rudolph concludes that while her subjects handled their layoffs differently, for all of them the AT&T downsizings challenged their basic beliefs about work and how their work defined their identities. She predicts that developing a workplace that allows for both individual fulfillment and organizational flexibility will be a complex and painful process.

* * *

Vinokur, A. D., Van Ryn, M., Gramlich, E. M., & Price, R. (1991). Long-term follow-up and benefit-cost analysis of the jobs program: A preventive intervention for the unemployed. *Journal of Applied Psychology, 76*(2), 213-219.

The purpose of this study was to provide a long-term follow-up to Caplan, Vinokur, Price, and Van Ryn (1989; see annotation on p. 68). The earlier study measured the short-term (one to four months) effects of an intervention designed to assist unemployed persons in regaining employment. In this follow-up study, the authors found that after two and one-half years, the experimental group continued to have higher rates of employment and higher pay levels than those in the control group (as defined in the first study).

The authors also performed a benefit-cost analysis that highlights the net positive effect of the program for the individuals involved as well as to society as a whole (based on higher taxes paid).

* * *

Warr, P., Jackson, P., & Banks, M. (1988). Unemployment and mental health: Some British studies. *Journal of Social Issues, 44*(4), 47-68.

This article describes eleven studies of the impact of unemployment on mental health in the context of the British labor market. Three general conclusions are formed: (1) People who are unemployed experience significantly higher levels of depression, anxiety, and general distress in comparison with the employed population. Continuing unemployment is associated with continuing deterioration in mental health, particularly for middle-aged people. (2) Different people react differently to unemployment. People with a strong personal commitment to having a job, as well as middle-aged men, are likely to experience more distress during unemployment than other groups. Maintaining a network of social contacts and supports is considered vital to sustaining mental health during unemployment. (3) Characteristics of the unemployed person's environment considered to have an impact on mental health include (among others) opportunity for control, opportunity for skill use, finances, opportunity for interpersonal relations, and physical security.

* * *

Appendix

The following bibliographic entries refer to articles that, although not directly within the purview of this review, have relevance in providing further reference resources. The entries included in this appendix are organized along the lines of the three perspectives used to organize the rest of the report.

Organizational Perspective

Bowman, H., & Singh, H. (1993). Corporate restructuring: Reconfiguring the firm. *Strategic Management Journal, 14,* 5-14.

Cameron, K. S. (1994b, Summer). Guest editor's note: Investigating organizational downsizing—fundamental issues. *Human Resources Management, 33*(2), 183-188.

Cameron, K. S., & Freeman, S. (1994, July). *The downsizing of an Army organization: An investigation of downsizing strategies, processes, and outcomes.* Technical Report 1003. Alexandria, VA: Army Research Institute, 43 pages.

Cameron, K. S., Kim, M. N., & Whetten, D. A. (1987). Organizational effects of decline and turbulence. *Administrative Science Quarterly, 32,* 222-240.

Cameron, K. S., Whetten, D. A., & Kim, M. N. (1987). Organizational dysfunctions of decline. *Academy of Management Journal, 30*(1), 126-138.

Carroll, G. (1994). Organizations . . . The smaller they get. *California Management Review, 37*(1), 28-41.

Carroll, P. (1993). *Big blues: The unmaking of IBM.* New York: Crown Publishers, Inc., 366 pages.

Drucker, P. (1995, February). Really reinventing government. *The Atlantic Monthly,* pp. 49-61.

Ellig, B. R. (1983, May-June). Pay policies while downsizing the organization: A systematic approach. *Personnel,* pp. 26-35.

Ferris, G. R., Schellenberg, D. A., & Zammuto, R. F. (1984). Human resource management strategies in declining industries. *Human Resources Management, 23*(4), 381-394.

Fisher, C. D., Schoenfeld, L. F., & Shaw, J. B. (1995). *Human resource management* (3rd ed.). Dallas, TX: Houghton-Mifflin, 864 pages.

Ford, J. D. (1980). The occurrence of structural hysteresis in declining organizations. *Academy of Management Review, 5*(4), 589-598.

Glassberg, A. (1978, July-August). Organizational responses to municipal budget decreases. *Public Administration Review, 38*(4), 325-332.

Gollelin, T. (1992). Downsizing syndrome: Reaction and response. *HR Horizons, 91*(104), 45-54.

Gore, A. (1993). *Creating a government that works better and costs less: The report of the National Performance Review*. New York: Penguin, 95 pages.

Gravitz, D. H., & Rumack, F. (1983, March-April). Opening the early retirement window. *Personnel*, pp. 53-57.

Guy, M. L. (1989). *From organizational decline to organizational renewal: The Phoenix Syndrome*. New York: Quorum Books, 182 pages.

Harback, H. (1993, August). Leadership lessons from downsized corporate America. *Military Review*, pp. 24-31.

Hardy, C. (1987). Investing in retrenchment: Avoiding the hidden costs. *California Management Review, 29*(4), 111-125.

Harrison, B. (1994). *Lean and mean: The changing landscape of power in the age of flexibility*. New York: Basic Books, 324 pages.

Huber, G., & Glick, W. (Eds.). (1995). *Organizational change and redesign: Ideas and insights for improving performance*. New York: Oxford University Press, 464 pages.

Jick, T. D., & Murray, V. V. (1982). The management of hard times: Budget cutbacks in public sector organizations. *Organization Studies, 3*, 141-169.

Ketchum, R. B. (1982, November-December). Retrenchment: The uses and misuses of LIFO in downsizing an organization. *Personnel*, pp. 25-30.

Kettl, D. F. (1994). *Reinventing government? Appraising the National Performance Review*. Washington, DC: The Brookings Institution, 78 pages.

Kozlowski, S., Chao, G., Smith, E., & Hedlund, V. (1993). Organizational downsizing: Strategies, interventions, and research implications. *International Review of Industrial and Organizational Psychology, 8*, 263-332.

Kuzmits, F. E., & Sussman, L. (1988). Early retirement or forced resignation: Policy issues for downsizing human resources. *S.A.M. Advanced Management Journal, 53*, 28-32.

McClune, J. T., Beatty, R. W., & Montagno, R. V. (1988). Downsizing: Practices in manufacturing firms. *Human Resources Management Journal, 27*, 145-161.

Murray, V. V., & Jick, T. D. (1985). Taking stock of organizational decline management: Some issues and illustrations from an empirical study. *Journal of Management, 11*, 111-123.

Perry, L. T. (1985). Least-cost alternatives to layoffs in declining industries. *Organization Dynamics, 14*(4), 48-61.

Reichheld, F. F. (1993, March-April). Loyalty-based management. *Harvard Business Review*, pp. 64-73.

Rubin, I. (1985). *Shrinking the federal government: The effect of cutbacks on five federal agencies*. New York: Longman, 224 pages.

Smith, S. L., & Stupak, R. J. (1994). Public sector downsizing decision-making in the 1990s: Moving beyond the mixed scanning model. *Public Administration Quarterly, 18*(3), 359-379.

Stearns, R. H., & Blazly, M. L. (1989, April). Downsizing? Consider human resource buffers. *Management Review*, pp. 45-48.

Tichy, N., & Sherman, S. (1994). *Control your destiny or someone else will.* New York: Harper Business, 459 pages.

Zammuto, R. F., & Cameron, K. S. (1985). Environmental decline and organizational response. *Research in Organizational Behavior, 7,* 223-262.

Organizational-Individual Relationship Perspective

Bridges, W. (1991). *Managing transitions: Making the most of change.* Reading, MA: Addison-Wesley, 130 pages.

Buch, K., & Aldridge, J. (1991). O. D. under conditions of organizational decline. *Organization Development Journal, 9*(1), 1-5.

Cappelli, P. (1992). Examining management displacement. *Academy of Management Journal, 35,* 203-217.

Cooper-Schneider, R. (1989). *An analysis of survivors' reactions to layoffs based on psychological theories of justice, organizational commitment, job insecurity, and corporate culture.* Unpublished doctoral dissertation, Columbia University, New York, NY.

Curtis, R. L. (1989). Cutbacks, management, and human relations: Meanings for organizational theory and research. *Human Relations, 42,* 671-689.

Debow, Y. (1987). G. E.: Easing the pain of layoffs. *Management Review, 76,* 15-18.

De Meuse, K. P., & Tornow, W. W. (1994). The tie that binds has become very, very frayed! *Human Resource Planning, 13*(3), 203-214.

Drucker, M., & Robinson, B. (1992, Fall). Offsetting the downside of downsizing: Implementing QWL options. *Journal of Health and Human Resources Administration,* pp. 183-207.

Edmundson, J. (1994, October 23). Bennington means business. *The New York Times Sunday Magazine,* pp. 42-47, 49, 62, 70, 74.

Feldman, D. C., & Leana, C. R. (1989). Managing layoffs: Experience at the Challenger disaster site and the Pittsburgh steel mills. *Organizational Dynamics, 18*(1), 52-64.

Franzem, J. J. (1987, January). Easing the pain. *Personnel Administrator,* pp. 48-55.

Freeman, S. J. (1993). *Organization downsizing: A case of appropriated interpretation.* Unpublished doctoral dissertation, University of Michigan.

Greenberger, D. B., & Strasser, S. (1986). Development and application of a model of personal control in organizations. *Academy of Management Review, 11,* 164-177.

Greenhalgh, L. (1980). A process model of organizational turnover: The relationship with job security as a case in point. *Academy of Management Review, 13,* 241-254.

Greenhalgh, L. (1982). Maintaining organizational effectiveness during organizational retrenchment. *Journal of Applied Behavioral Science, 18,* 155-170.

Greenhalgh, L., Lawrence, A. T., & Sutton, R. I. (1988). Determinants of workforce reduction strategies in declining organizations. *Academy of Management Review, 13*(2), 241-254.

Greenhalgh, L., & Rosenblatt, Z. (1984). Job insecurity: Toward conceptual clarity. *Academy of Management Review, 9*, 438-448.

Grosman, B. A. (1989). Corporate loyalty, does it have a future? *Journal of Business Ethics, 8*, 565-568.

Hardy, C. (1986). Strategies for retrenchment: Reconciling individual and organizational needs. *Canadian Journal of Administrative Sciences, 3*(2), 275-289.

Jacobs, D. (1988, April). Maintaining morale during and after downsizing. *Management Solutions*, pp. 5-13.

Jick, T. D., & Greenhalgh, L. (1989). Survivor sense making and reactions to organizational decline: Effects of individual differences. *Management Communication Quarterly, 2*, 305-327.

Johansen, R., & Swigart, R. (1994). *Upsizing the individual in the downsized organization.* Reading, MA: Addison-Wesley, 224 pages.

Kleiman, C. (1994, April 3). Dancing to a new set of rules in the world of work. *Washington Post*, p. H2.

LaFarge, V. (1994). The ambivalence of departing employees: Reactions of involuntary and voluntary exiters. *Journal of Applied Behavioral Science, 30*(2), 175-197.

Leana, C. R., & Feldman, D. C. (1989). When mergers force layoffs: Some lessons about managing the human resource problems. *Human Resource Planning, 12*, 123-140.

Levine, C. H. (1984, Fall). Retrenchment, human resource erosion, and the role of the personnel manager. *Public Personnel Management Journal*, pp. 249-263.

Lippitt, R., & Lippitt, G. (1984, Summer). Human downsizing: Organizational renewal versus organizational depression. *Advanced Management Journal*, pp. 15-21.

Mowday, R. T. (1981). Viewing turnover from the perspective of those who remain: The relationship of job attitudes to attributions of the causes of turnover. *Journal of Applied Psychology, 66*, 120-123.

Nelson, R. E. (1988, August). Common sense staff reduction. *Personnel Journal*, pp. 50-57.

Portela, G. M., & Zaks, R. K. (1989, Autumn). Reductions in force: A practical approach. *Employment Relations Today*, pp. 219-225.

Price, R. H., & D'Aunno, T. (1983). Managing workforce reduction. *Human Resources Management, 22*, 413-430.

Robinson, S. L., Kraatz, M. S., & Rousseau, D. M. (1994). Changing obligations and the psychological contract: A longitudinal study. *Academy of Management Journal, 37*(1), 137-152.

Robinson, S. L., & Rousseau, D. M. (1994). Violating the psychological contract: Not the exception but the norm. *Journal of Organizational Behavior, 15*, 245-259.

Ropp, K. (1987, February). Downsizing strategies: Reducing the trauma of reducing employees. *Personnel Administrator,* pp. 61-64.

Rousseau, D. M. (1995). *Psychological contracts in organizations: Understanding written and unwritten agreements.* Thousand Oaks, CA: Sage, 242 pages.

Rousseau, D. M., & Anton, R. (1988). Fairness and implied contract obligations in termination: A policy capturing study. *Human Performance, 1,* 273-289.

Smallwood, W. N., & Jacobsen, E. (1987, December). Is there life after downsizing? *Personnel,* pp. 42-46.

Swaim, P., & Podgursky, M. (1990). Advance notice and job search: The value of an early start. *The Journal of Human Resources, 25*(2), 147-178.

Tarr, S., & Juliano, W. (1992). Leading a team through downsizing. *HR Magazine, 37*(10), 91-100.

Toufexis, A. (1994, April 25). Workers who fight firing with fire. *Time,* pp. 35-37.

Woodward, H., & Bucholz, S. (1987). *Aftershock: Helping people through corporate change.* New York: Wiley, 256 pages.

Individual Perspective

Amabile, T., & Conti, R. (1995). What downsizing does to creativity. *Issues & Observations, 15*(3), 1-6.

Armstrong-Stassen, M. (1998). The effect of gender and organizational level on how survivors appraise and cope with organizational downsizing. *Journal of Applied Behavioral Science, 34*(2), 125-142.

Carver, C. S., Schein, M. F., & Weintraub, J. K. (1989). Assessing coping strategies: A theoretically-based approach. *Journal of Personality and Social Psychology, 56,* 267-283.

Church, G. (1993, November 22). Jobs in an age of insecurity. *Time,* pp. 33-39.

Church, G. (1994, April 25). Recovery for whom? *Time,* pp. 30-34.

Cohn, R. M. (1978). The effect of employment status change on self-attitudes. *Social Psychology, 41*(2), 81-93.

Crenshaw, A. B. (1994, December 28). The myth of the "mobile worker": People sticking with jobs despite economy's shifts, analysts say. *Washington Post,* pp. A1, A10.

Dooley, D., & Catalano, R. (1988). Recent research on the psychological effects of UE. *Journal of Social Issues, 44*(4), 1-12.

Dooley, D., Catalano, R., & Rook, K. S. (1988). Personal and aggregate unemployment and psychological symptoms. *Journal of Social Issues, 44*(4), 107-124.

Elder, G. H., & Caspi, A. (1988). Economic stress in lives: Developmental perspectives. *Journal of Social Issues, 44*(4), 25-45.

Feather, N. T., & Barber, J. G. (1983). Depressive reactions and unemployment. *Journal of Abnormal Psychology, 92,* 185-195.

Frankl, V. (1984). *Man's search for meaning: An introduction to logotherapy.* New York: Simon and Schuster, 189 pages.

Fraze, J. (1988, January). Displaced workers: Okies of the 80's. *Personnel Administrator,* pp. 42-51.

Ganster, D. C., Fusilier, M. R., & Mayes, B. T. (1986). Role of social support in the experience of stress at work. *Journal of Applied Psychology, 71,* 102-110.

Hansen, G. B. (1988). Layoffs, plant closings, and worker displacement in America: Serious problems that need a national solution. *Journal of Social Issues, 44*(4), 153-171.

Hartley, J. F. (1980). The impact of unemployment upon the self-esteem of managers. *Journal of Occupational Psychology, 53,* 147-155.

Hepworth, S. J. (1980). Moderating factors of the psychological impact of unemployment. *Journal of Occupational Psychology, 53,* 139-145.

Kanfer, R., & Hulin, C. L. (1985). Individual differences in successful job searches following a layoff. *Personnel Psychology, 38,* 835-877.

Kasl, S. V., Gore, S., & Cobb, S. (1975). The experience of losing a job: Reported changes in health, symptom and illness behavior. *Psychosomatic Medicine, 37,* 106-122.

Kinicki, A. J., & Latack, J. C. (1990). Explication of the construct of coping with involuntary job loss. *Journal of Vocational Behavior, 36,* 339-360.

Latack, J. C., & Dozier, J. B. (1986). After the ax falls: Job loss as a career transition. *Academy of Management Review, 11,* 375-392.

Latack, J. C., Kinicki, A. J., & Prussia, G. E. (1995). An integrative model of coping with job loss. *Academy of Management Review, 20*(2), 311-342.

Leana, C. R., & Ivancevich, J. M. (1987). Involuntary job loss: Institutional interventions and a research agenda. *Academy of Management Review, 12,* 301-312.

Mallinckrodt, B. (1990). Satisfaction with a new job after unemployment: Consequences of job loss for older professionals. *Journal of Counseling Psychology, 35,* 281-286.

Taber, T. D., Walsh, J. T., & Cooke, R. A. (1979). Developing a community-based program for reducing the social impact of a plant closing. *Journal of Applied Behavioral Science, 17,* 133-155.

Author Index

Aldridge, J., 81
Allcorn, S., 35
Amabile, T., 83
Andersen, K., 50
Anton, R., 83
Armstrong-Stassen, M., 35, 37, 83
Ashford, S. J., 66
Ayling, R., 38
Balazs, K., 71
Balkin, D. B., 5
Banks, M., 77
Barber, J. G., 83
Baum, H. S., 35
Beatty, R. W., 80
Behn, R. D., 5
Bies, R., 43
Biller, R. P., 6
Blazly, M. L., 80
Blonder, M., 42
Bortz, J., 42
Bowman, H., 79
Bridges, W., 67, 81
Brockner, A., 42
Brockner, J., 39, 41, 42, 43, 44, 45
Brunstead, E., 23
Buch, K., 81
Bucholz, S., 83
Bunker, K. A., 45
Cameron, K. S., 6, 8, 9, 79, 81
Candell, A. B., 24
Caplan, G., 46
Caplan, R., 68
Cappelli, P., 81
Carroll, G., 79
Carroll, P., 79
Carter, C., 42
Carver, C. S., 83
Cascio, W., 9, 10
Caspi, A., 83
Catalano, R., 83
Caudron, S., 68
Chao, G., 80
Church, G., 83
Cobb, S., 84
Cohn, R. M., 83
Collard, B., 63
Colvard, J., 47
Conti, R., 83
Cooke, R. A., 84
Cooper-Schneider, R., 43, 44, 81
Crenshaw, A. B., 83
Curtis, R. L., 81
D'Aunno, T., 62, 82
Davy, J., 42, 47
Debow, Y., 81
DeMarie, S. M., 60
De Meuse, K. P., 48, 81
DeWitt, R., 41, 42
Diamond, M. A., 35
Dooley, D., 83
Downs, A., 49
Dozier, J. B., 84
Drucker, M., 81
Drucker, P., 79
Edmundson, J., 81
Eisenhardt, K. M., 63
Elder, G. H., 83
Ellig, B. R., 79
Feather, N. T., 83
Feldman, D. C., 10, 81, 82
Ferris, G. R., 79
Fierman, J., 49
Fisher, C. D., 79
Folger, R., 43
Ford, J. D., 79
Francis, J., 50
Frankl, V., 84
Franzem, J. J., 81
Fraze, J., 84
Freeman, S. J., 9, 11, 79, 81
Fusilier, M. R., 84
Ganster, D. C., 84
Geisler, E., 12
Gilkey, R. W., 16
Gilmore, T., 20, 51
Glassberg, A., 79
Glick, W., 80
Golden, M. A., 12
Gollelin, T., 79
Gordon, D. M., 51
Gordon, R. H., 69
Gore, A., 80
Gore, S., 84
Gowing, M. K., 13
Gramlich, E. M., 77
Gravitz, D. H., 80
Greenberg, J., 42
Greenberger, D. B., 81
Greengard, S., 14
Greenhalgh, L., 15, 16, 81, 82
Grosman, B. A., 82
Grover, S., 41, 42, 45
Gurin, L., 17
Gustafson, L. T., 60
Guy, M. L., 80
Hamel, G., 17
Hansen, G. B., 84
Harback, H. F., 21, 80
Hardy, C., 18, 80, 82
Harold, C. E., 69
Harrison, B., 80
Hartley, J. F., 84
Hartman, R. I., 62
Harvey, J., 52
Heckscher, C., 19
Hedlund, V., 80
Heenan, D. A., 20
Hepworth, S. J., 84
Hirschorn, L., 20, 51, 53
Hitt, M. A., 21
Honse, J. S., 70
Huber, G., 80
Hulin, C. L., 84
Indvik, J., 53
Ivancevich, J. M., 84
Iverson, L., 70
Jackson, P., 77
Jacobs, D., 82
Jacobsen, E., 83
Jick, T. D., 80, 82
Johansen, R., 82
Johnson, P. R., 53

Jones, D. T., 31
Jucker, J. V., 63
Juliano, W., 83
Kanfer, R., 84
Kasl, S. V., 84
Keats, B. W., 21
Keidel, R., 22
Kessler, R. C., 70
Ketchum, R. B., 80
Kets de Vries, M. F. R., 71
Kettl, D. F., 80
Kiechel, W., III, 71
Kim, M. N., 79
Kinicki, A., 47, 84
Kirsch, M. H., 54
Kleiman, C., 82
Knowdell, R. L., 23
Kochanski, J., 23
Konovsky, M., 43
Kozlowski, S., 80
Kraatz, M. S., 82
Kraft, J. D., 13
Krantz, J., 55
Krepps, M. B., 24
Kuzmits, F. E., 80
LaFarge, V., 82
Latack, J. C., 84
Lawrence, A. T., 82
Leana, C. R., 10, 81, 82, 84
Levine, C. H., 25, 82
Liem, J. H., 72
Liem, R., 72
Light, P., 25
Lippitt, G., 82
Lippitt, R., 82
Lublin, J., 72
Lundquist, J. T., 26
Mallinckrodt, B., 84
Marks, M. L., 55
Martin, C., 43, 45
Mayes, B. T., 84
McClune, J. T., 80
McKersie, R. B., 16
McKinley, W., 26
McNally, J., 64
Mellor, S., 56
Miller, M. V., 57
Mishra, A. K., 9, 27, 58, 73
Mishra, K. E., 27, 58
Mohr, J., 50
Mohrman, A. M., Jr., 58
Mohrman, S. A., 58
Mone, M. A., 26, 73
Montagno, R. V., 80
Moravec, M., 23
Morris, J. R., 10
Mowday, R. T., 82
Mullane, J. V., 60
Murray, V. V., 80
Nelson, R. E., 82
Nixon, R. D., 21
Noer, D., 59
O'Malley, M., 42
O'Reilly, B., 60
Parkhouse, G. C., 75
Perry, L. T., 80
Podgursky, M., 83
Portela, G. M., 82
Prahalad, C. K., 17
Price, R., 68, 77, 82
Prussia, G. E., 84
Quick, J. C., 13
Randall, P. M., 23
Reed, T., 41, 42, 45
Reger, R. K., 60
Reichheld, F. F., 80
Rice, C. S., 75
Robinson, B., 81
Robinson, C., 57
Robinson, S. L., 82
Rook, K. S., 83
Ropp, K., 83
Rosenblatt, Z., 82
Rousseau, D. M., 82, 83
Rubin, I., 80
Rudolph, B., 76
Rumack, F., 80
Sabroe, S., 70
Saunders, M. N. K., 28
Scheck, C., 47
Schein, M. F., 83
Schellenberg, D. A., 79
Schoenfeld, L. F., 79
Shaw, J. B., 79
Sherman, S., 81
Singh, H., 79
Smallwood, W. N., 83
Smeltzer, L. R., 61
Smith, E., 80
Smith, L., 61
Smith, S. L., 80
Spreitzer, G. M., 58, 73
Stearns, R. H., 80
Stein, H. F., 35
Stoner, C. R., 62
Strasser, S., 81
Stupak, R. J., 80
Sussman, L., 80
Sutton, R. I., 62, 63, 82
Swaim, P., 83
Swigart, R., 82
Taber, T. D., 84
Tarr, S., 83
Teese, M., 46
The New York Times, 74
Thornhill, A., 28
Tichy, N., 81
Tornow, W. W., 29, 48, 81
Toufexis, A., 83
Train, A., 29
Turner, J. B., 70
Tylczak, L., 30
Tyler, T., 44
Van Ryn, M., 68, 77
Vinokur, A. D., 68, 77
Walsh, J. T., 84
Warr, P., 77
Waterman, J., 63
Waterman, R., 63
Weintraub, J. K., 83
Whetten, D. A., 30, 79
Wiesenfeld, B., 45
Wilburn, R. C., 31
Womack, J. P., 31
Wong, L., 64
Woodward, H., 83
Worman, M. A., 31
Young, C. E., 10
Zaks, R. K., 82
Zammuto, R. F., 79, 81
Zener, M. F., 61

Title Index

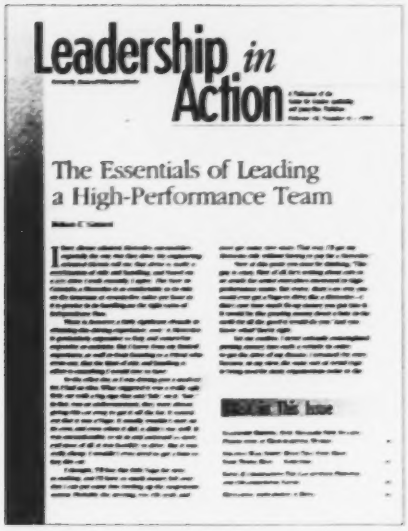
Advance notice and job search: The value of an early start, 83
Aftershock: Helping people through corporate change, 83
After the ax falls: Job loss as a career transition, 84
A manager's career in the new economy, 71
An analysis of survivors' reactions to layoffs based on psychological theories of justice, organizational commitment, job insecurity, and corporate culture, 81
An integrative model of coping with job loss, 84
A process model of organizational turnover: The relationship with job security as a case in point, 81
Assessing coping strategies: A theoretically-based approach, 83
Bennington means business, 81
Best practices in white-collar downsizing: Managing contradictions, 9
Better practices in managing layoffs, 10
Big blues: The unmaking of IBM, 79
Bouncing back from downsizing, 17
Burned-out bosses, 61
Changing obligations and the psychological contract: A longitudinal study, 82
Climb a fallen ladder: How to survive (and thrive!) in a downsized America, 69
Common sense staff reduction, 82
Competing for the future, 17
Contract redesign, 29
Control your destiny or someone else will, 81
Coping with transition: A study of layoff survivors, 37
Corporate executions: The ugly truth about layoffs—how corporate greed is shattering lives, companies, and communities, 49
Corporate loyalty, does it have a future?, 82
Corporate restructuring: Reconfiguring the firm, 79
Cost-effectiveness of alternative strategies of cut-back management, 16
Creating a government that works better and costs less: The report of the National Performance Review, 80
Creating earthquakes to change organizational mindsets, 60
Cutbacks, management, and human relations: Meanings for organizational theory and research, 81
Cutout: The ultimate cutback management, 47
Dancing to a new set of rules in the world of work, 82
Decreasing organizational size: Untangling the effects of money and people, 62
Depressive reactions and unemployment, 83
Determinants of workforce reduction strategies in declining organizations, 82
Developing a community-based program for reducing the social impact of a plant closing, 84
Developing and testing a model of survivor responses to layoffs, 47
Development and application of a model of personal control in organizations, 81
Development of a model for announcing major layoffs, 61
Disconnected: How six people from AT&T discovered the new meaning of work in downsized corporate America, 76
Displaced workers: Okies of the 80's, 84
Dodging downsizing: Proven strategies for job security in tough times, 75
Don't rush downsizing: Plan, plan, plan, 14
Downsizing? Consider human resource buffers, 80
Downsizing: Practices in manufacturing firms, 80
Downsizing strategies: Reducing the trauma of reducing employees, 83

Downsizing syndrome: Reaction and response, 79
Downsizing the Army: Some policy implications affecting the survivors, 64
Downsizing: What do we know? What have we learned?, 9
Downsizing without disaster: A thoughtful approach to planned workforce reduction, 30
Early retirement or forced resignation: Policy issues for downsizing human resources, 80
Easing the pain, 81
Economic stress in lives: Developmental perspectives, 83
Effects of unemployment on health in a community survey: Main, modifying, and mediating effects, 70
Eichmann in the organization, 52
Employee involvement in declining organizations, 58
Environmental decline and organizational response, 81
Examining management displacement, 81
Explaining how survivors respond to downsizing: The roles of trust, empowerment, justice, and work redesign, 73
Explication of the construct of coping with involuntary job loss, 84
Fairness and implied contract obligations in termination: A policy capturing study, 83
Fat and mean: The corporate squeeze of working Americans and the myth of managerial downsizing, 51
Financial consequences of employment-change decisions in major U.S. corporations, 10
From downsizing to recovery: Strategic transition options for organizations and individuals, 23
From lean production to the lean enterprise, 31
From organizational decline to organizational renewal: The Phoenix Syndrome, 80
From turmoil to triumph: New life after mergers, acquisitions, and downsizing, 55
G. E.: Easing the pain of layoffs, 81
Guest editor's note: Investigating organizational downsizing—fundamental issues, 79
Group processes under conditions of organizational decline, 55
Healing the wounds: Overcoming the trauma of layoffs and revitalizing downsized organizations, 59
Heroic defeats: The politics of job loss, 12
How thick is government?, 25
HR balancing: Alternative downsizing, 50
Human downsizing: Organizational renewal versus organizational depression, 82
Human resource management, 79
Human resource management strategies in declining industries, 79
Individual differences in successful job searches following a layoff, 84
Individual strategies for coping with stress during organizational transitions, 66
Industrial inefficiency and downsizing: A study of layoffs and plant closures, 24
Inside outplacement: My search for a job, 75
Interactive effect of job content and context on the reactions of layoff survivors, 45
Interactive effects of procedural justice and outcome negativity on victims and survivors of job loss, 43
In the wake of the giant: Multinational restructuring and uneven development in a New England community, 54
Investing in retrenchment: Avoiding the hidden costs, 80
Involuntary job loss: Institutional interventions and a research agenda, 84
Is there life after downsizing?, 83
Job insecurity: Toward conceptual clarity, 82
Job seeking, reemployment, and mental health: A randomized field experiment in coping with job loss, 68
Job shift: How to prosper in a workplace without jobs, 67
Jobs in an age of insecurity, 83

Layoffs, equity theory, and work performance: Further evidence of the impact of survivor guilt, 42
Layoffs, plant closings, and worker displacement in America: Serious problems that need a national solution, 84
Leadership and the changing psychological contract between employer and employee, 48
Leadership for cut-back management: The use of corporate strategy, 5
Leadership in an era of retrenchment, 5
Leadership lessons from downsized corporate America, 80
Leadership tactics for retrenchment, 6
Leading a team through downsizing, 83
Lean and mean: The changing landscape of power in the age of flexibility, 80
Least-cost alternatives to layoffs in declining industries, 80
Long-term follow-up and benefit-cost analysis of the jobs program: A preventive intervention for the unemployed, 77
Loyalty-based management, 80
Maintaining morale during and after downsizing, 82
Maintaining organizational effectiveness during organizational retrenchment, 81
Management challenges under conditions of retrenchment, 51
Managing employee separations with the reward system, 5
Managing layoffs: Experience at the Challenger disaster site and the Pittsburgh steel mills, 81
Managing organizational decline: Lessons from Atari, 63
Managing rumors during retrenchment, 53
Managing the aftermath of radical corporate change: Reengineering, restructuring, and reinvention, 12
Managing the disappointment of job termination: Outplacement as a cooling-out device, 57
Managing the effects of layoffs on others, 39
Managing the job insecurity crisis, 15
Managing transitions: Making the most of change, 81
Managing workforce reduction, 82
Man's search for meaning: An introduction to logotherapy, 84
Moderating factors of the psychological impact of unemployment, 84
O.D. under conditions of organizational decline, 81
Offsetting the downside of downsizing: Implementing QWL options, 81
Opening the early retirement window, 80
Organizational change and redesign: Ideas and insights for improving performance, 80
Organizational decline and cutback management, 25
Organizational decline: A neglected topic in organizational science, 30
Organizational downsizing as convergence or reorientation: Implications for human resource management, 11
Organizational downsizing: Strategies, interventions, and research implications, 80
Organizational dysfunctions of decline, 79
Organizational effects of decline and turbulence, 79
Organizational responses to municipal budget decreases, 79
Organization downsizing: A case of appropriated interpretation, 81
Organization therapy: Building survivor health and competitiveness, 62
Organizations . . . The smaller they get, 79
Overcoming the limits to personnel cut-backs: Lessons learned in Pennsylvania, 31
Pay policies while downsizing the organization: A systematic approach, 79
Personal and aggregate unemployment and psychological symptoms, 83
Predictors of survivors' job involvement following layoffs: A field study, 42
Preserving employee morale during downsizing, 58
Psychological contracts in organizations: Understanding written and unwritten agreements, 83

Psychological effects of unemployment on workers and their families, 72
Psychological well-being among unemployed and employed people after a company shutdown: A longitudinal study, 70
Public sector downsizing decision-making in the 1990s: Moving beyond the mixed scanning model, 80
Really reinventing government, 79
Rearchitecting the human resources function at Northern Telecom, 23
Rebalancing the workforce at IBM: A case study of redeployment and revitalization, 16
Recent research on the psychological effects of UE, 83
Recovery for whom?, 83
Reductions in force: A practical approach, 82
Reinventing government? Appraising the National Performance Review, 80
Relationships between self-concepts, aspirations, emotional responses, and intent to leave a downsizing organization, 73
Rethinking organizational design, 22
Retrenchment, human resource erosion, and the role of the personnel manager, 82
Retrenchment: The uses and misuses of LIFO in downsizing an organization, 80
Rightsizing: Building and maintaining strategic leadership and long-term competitiveness, 21
Role of social support in the experience of stress at work, 84
Satisfaction with a new job after unemployment: Consequences of job loss for older professionals, 84
Scope of justice in the workplace: How survivors react to coworker layoffs, 39
Shrinking fast and smart, 26
Shrinking the federal government: The effect of cutbacks on five federal agencies, 80
Some ideological foundations of organizational downsizing, 26
Strategic organizational downsizing: An extreme case, 8
Strategies for retrenchment and turnaround: The politics of survival, 18
Strategies for retrenchment: Reconciling individual and organizational needs, 82
Strategies for successful organizational downsizing, 6
Survivor sense making and reactions to organizational decline: Effects of individual differences, 82
Survivors: How to keep your best people on board after downsizing, 46
Survivors' reactions to a workforce reduction: A comparison of blue-collar workers and their supervisors, 35
Survivors' reactions to layoffs: We get by with a little help from our friends, 42
Taking stock of organizational decline management: Some issues and illustrations from an empirical study, 80
Teach downsizing survivors how to thrive, 68
The ambivalence of departing employees: Reactions of involuntary and voluntary exiters, 82
The case of the downsizing decision, 29
The contingency workforce, 49
The downside of downsizing, 20
The downside of downsizing, 71
The downsizing of America, 38
The downsizing of America, 74
The downsizing of an Army organization: An investigation of downsizing strategies, processes, and outcomes, 79
The effect of employment status change on self-attitudes, 83
The effect of gender and organizational level on how survivors appraise and cope with organizational downsizing, 83
The effects of work layoffs on survivors: Research, theory, and practice, 39
The experience of losing a job: Reported changes in health, symptom and illness behavior, 84
The human cost of a management failure: Organizational downsizing at General Hospital, 35

The impact of unemployment upon the self-esteem of managers, 84
The influence of layoff severity on post-layoff union commitment among survivors: The moderating effect of the perceived legitimacy of a layoff account, 56
The influence of prior commitment to an institution on reactions to perceived unfairness: The higher they are, the harder they fall, 44
The management of hard times: Budget cutbacks in public sector organizations, 80
The meanings, consequences and implications of the management of downsizing and redundancy: A review, 28
The myth of the "mobile worker": People sticking with jobs despite economy's shifts, analysts say, 83
The new boundaries of the "boundaryless" company, 20
The new deal: What companies and employees owe one another, 60
The new organizational reality: Downsizing, restructuring, and revitalization, 13
The occurrence of structural hysteresis in declining organizations, 79
The "R Factor" in downsizing, 45
The role of mutual trust in effective downsizing strategies, 27
The tie that binds has become very, very frayed!, 81
Toward a career-resilient workforce, 63
Unemployment and mental health: Some British studies, 77
Upsizing the individual in the downsized organization, 82
Viewing turnover from the perspective of those who remain: The relationship of job attitudes to attributions of the causes of turnover, 82
Violating the psychological contract: Not the exception but the norm, 82
Walking wounded: Survivors of layoffs battle angst, anger, hurting productivity, 72
What downsizing does to creativity, 83
When it is especially important to explain why: Factors affecting the relationship between managers' explanations of a layoff and survivors' reactions to the layoff, 41
When mergers force layoffs: Some lessons about managing the human resource problems, 82
White-collar blues: Management loyalties in an age of corporate restructuring, 19
Workers who fight firing with fire, 83
Workplace violence: An issue of the nineties, 53



Leadership in Action

A quarterly publication of the Center for Creative Leadership and Jossey-Bass Publishers

Martin Wilcox, Editor

Leadership in Action is a bimonthly newsletter that aims to help practicing leaders and those who train and develop practicing leaders by providing them with insights gained in the course of CCL's educational and research activities. It also aims to provide a forum for the exchange of information and ideas between practitioners and CCL staff and associates.

The annual subscription price for *Leadership in Action* is $99.00 for individuals and $124.00 for institutions. To order, please contact Customer Service, Jossey-Bass Inc., Publishers, 350 Sansome Street, San Francisco, CA 94104-1342. Telephone: 888/378-2537 or 415/433-1767; fax: 800/605-2665. See the Jossey-Bass Web site at www.josseybass.com

BEST COPY AVAILABLE

CENTER FOR CREATIVE LEADERSHIP

New Releases, Best-sellers, Bibliographies, and Special Packages

NEW RELEASES

IDEAS INTO ACTION GUIDEBOOKS

Becoming a More Versatile Learner M. Dalton (1998, Stock #402) ..... $6.95 *
Ongoing Feedback: How to Get It, How to Use It K. Kirkland & S. Manoogian (1998, Stock #400) ..... $6.95 *
Reaching Your Development Goals C. McCauley & J. Martineau (1998, Stock #401) ..... $6.95 *

The Center for Creative Leadership Handbook of Leadership Development C.D. McCauley, R.S. Moxley, & E. Van Velsor (Eds.) (1998, Stock #201) ..... $65.00 *
The Complete Inklings: Columns on Leadership and Creativity D.P. Campbell (1999, Stock #343) $30.00
A Cross-National Comparison of Effective Leadership and Teamwork: Toward a Global Workforce J.B. Leslie & E. Van Velsor (1998, Stock #177) ..... $15.00 *
Executive Selection: A Research Report on What Works and What Doesn't V.I. Sessa, R. Kaiser, J.K. Taylor, & R.J. Campbell (1998, Stock #179) ..... $30.00 *
Feedback to Managers (3rd Edition) J.B. Leslie & J.W. Fleenor (1998, Stock #178) ..... $60.00 *
High-Performance Work Organizations: Definitions, Practices, and an Annotated Bibliography B.L. Kirkman, K.B. Lowe, & D.P. Young (1999, Stock #342) $20.00
International Success: Selecting, Developing, and Supporting Expatriate Managers M. Wilson & M. Dalton (1998, Stock #180) ..... $15.00 *
Leadership Education: A Source Book of Courses and Programs M.K. Schwartz, F.H. Freeman, & K. Axtman (Eds.) (1998, Stock #339) ..... $40.00 *
Leadership Resources: A Guide to Training and Development Tools M.K. Schwartz, F.H. Freeman, & K. Axtman (Eds.) (1998, Stock #340) ..... $40.00 *
Workforce Reductions: An Annotated Bibliography T.A. Hickok (1999, Stock #344) $20.00

BEST-SELLERS

The Adventures of Team Fantastic: A Practical Guide for Team Leaders and Members G.L. Hallam (1996, Stock #172) $20.00
Breaking Free: A Prescription for Personal and Organizational Change D.M. Noer (1997, Stock #271) $25.00
Breaking the Glass Ceiling: Can Women Reach the Top of America's Largest Corporations? (Updated Edition) A.M. Morrison, R.P. White, & E. Van Velsor (1992, Stock #236) ..... $13.00 *
CEO Selection: A Street-smart Review G.P. Hollenbeck (1994, Stock #164) ..... $25.00 *
Choosing 360: A Guide to Evaluating Multi-rater Feedback Instruments for Management Development E. Van Velsor, J.B. Leslie, & J.W. Fleenor (1997, Stock #334) ..... $15.00 *
Eighty-eight Assignments for Development in Place M.M. Lombardo & R.W. Eichinger (1989, Stock #136) ..... $15.00 *
Enhancing 360-degree Feedback for Senior Executives: How to Maximize the Benefits and Minimize the Risks R.E. Kaplan & C.J. Palus (1994, Stock #160) ..... $15.00 *
Evolving Leaders: A Model for Promoting Leadership Development in Programs C.J. Palus & W.H. Drath (1995, Stock #165) ..... $15.00 *
Executive Selection: A Look at What We Know and What We Need to Know D.L. DeVries (1993, Stock #321) ..... $20.00 *
Four Essential Ways that Coaching Can Help Executives R. Witherspoon & R.P. White (1997, Stock #175) $10.00
Gender Differences in the Development of Managers: How Women Managers Learn From Experience E. Van Velsor & M.W. Hughes (1990, Stock #145) ..... $35.00 *
A Glass Ceiling Survey: Benchmarking Barriers and Practices A.M. Morrison, C.T. Schreiber, & K.F. Price (1995, Stock #161) $15.00
High Flyers: Developing the Next Generation of Leaders M.W. McCall, Jr. (1997, Stock #293) $27.95
How to Design an Effective System for Developing Managers and Executives M.A. Dalton & G.P. Hollenbeck (1996, Stock #158) ..... $15.00 *
If I'm In Charge Here, Why Is Everybody Laughing? D.P. Campbell (1984, Stock #205) ..... $9.95 *
If You Don't Know Where You're Going You'll Probably End Up Somewhere Else D.P. Campbell (1974, Stock #203) ..... $9.95 *

BEST COPY AVAILABLE

The Lessons of Experience: How Successful Executives Develop on the Job M.W. McCall, Jr., M.M. Lombardo, & A.M. Morrison (1988, Stock #211) $27.50

A Look at Derailment Today: North America and Europe J.B. Leslie & E. Van Velsor (1996, Stock #169) ..... $20.00 *

Making Common Sense: Leadership as Meaning-making in a Community of Practice W.H. Drath & C.J. Palus (1994, Stock #156) ..... $15.00 *

Making Diversity Happen: Controversies and Solutions A.M. Morrison, M.N. Ruderman, & M. Hughes-James (1993, Stock #320) ..... $20.00 *

Managerial Promotion: The Dynamics for Men and Women M.N. Ruderman, P.J. Ohlott, & K.E. Kram (1996, Stock #170) $15.00

Managing Across Cultures: A Learning Framework M.S. Wilson, M.H. Hoppe, & L.R. Sayles (1996, Stock #173) ..... $15.00 *

Maximizing the Value of 360-degree Feedback W.W. Tornow, M. London, & CCL Associates (1998, Stock #295) ..... $42.95 *

The New Leaders: Guidelines on Leadership Diversity in America A.M. Morrison (1992, Stock #238A) ..... $18.50 *

Perspectives on Dialogue: Making Talk Developmental for Individuals and Organizations N.M. Dixon (1996, Stock #168) ..... $20.00 *

Preventing Derailment: What To Do Before It's Too Late M.M. Lombardo & R.W. Eichinger (1989, Stock #138) $25.00

The Realities of Management Promotion M.N. Ruderman & P.J. Ohlott (1994, Stock #157) ..... $15.00 *

Selected Research on Work Team Diversity M.N. Ruderman, M.W. Hughes-James, & S.E. Jackson (Eds.) (1996, Stock #326) $24.95

Should 360-degree Feedback Be Used Only for Developmental Purposes? D.W. Bracken, M.A. Dalton, R.A. Jako, C.D. McCauley, V.A. Pollman, with Preface by G.P. Hollenbeck (1997, Stock #335) ..... $15.00 *

Take the Road to Creativity and Get Off Your Dead End D.P. Campbell (1977, Stock #204) ..... $9.95 *

Twenty-two Ways to Develop Leadership in Staff Managers R.W. Eichinger & M.M. Lombardo (1990, Stock #144) $15.00

BIBLIOGRAPHIES

Formal Mentoring Programs in Organizations: An Annotated Bibliography C.A. Douglas (1997, Stock #332) $20.00

Management Development through Job Experiences: An Annotated Bibliography C.D. McCauley & S. Brutus (1998, Stock #337) $20.00

Selection at the Top: An Annotated Bibliography V.I. Sessa & R.J. Campbell (1997, Stock #333) ..... $20.00 *

Succession Planning: An Annotated Bibliography L.J. Eastman (1995, Stock #324) ..... $20.00 *

Using 360-degree Feedback in Organizations: An Annotated Bibliography J.W. Fleenor & J.M. Prince (1997, Stock #338) ..... $15.00 *

SPECIAL PACKAGES

The Diversity Collection (Stock #708; includes 145, 173, 177, 236, 238A, 320) $85.00

Executive Selection (Stock #710; includes 157, 164, 179, 180, 321, 333) $85.00

Guidebook Package (Stock #721; includes 400, 401, 402) $14.95

HR Professional's Info Pack (Stock #717; includes 136, 158, 169, 201, 324, 334, 340) $100.00

Leadership Education and Leadership Resources Package (Stock #722; includes 339, 340) $70.00

New Understanding of Leadership (Stock #718; includes 156, 165, 168) $40.00

Personal Growth, Taking Charge, and Enhancing Creativity (Stock #231; includes 203, 204, 205) $20.00

The 360 Collection (Stock #720; includes 160, 178, 295, 334, 335, 338) $75.00

Discounts are available. Please write for a Publications catalog. Address your request to: Publication, Center for Creative Leadership, P.O. Box 26300, Greensboro, NC 27438-6300, 336-286-4480, or fax to 336-282-3284. Purchase your publications from our on-line bookstore at **www.ccl.org/publications**. All prices subject to change.

*Indicates publication is also part of a package.

6/99

BEST COPY AVAILABLE

ORDER FORM

Or e-mail your order via the Center's on-line bookstore at www.ccl.org

Name _____ Title _____

Organization _____

Mailing Address _____
(street address required for mailing)

City/State/Zip _____

Telephone _____ FAX _____
(telephone number required for UPS mailing)

Quantity	Stock No.	Title	Unit Cost	Amount

CCL's Federal ID Number is 237-07-9591.

Subtotal	
Shipping and Handling (add 6% of subtotal with a $4.00 minimum; add 40% on all international shipping)	
NC residents add 6% sales tax; CA residents add 7.75% sales tax; CO residents add 6.1% sales tax	
TOTAL	

METHOD OF PAYMENT
(ALL orders for less than $100 must be PREPAID.)

❑ Check or money order enclosed (payable to Center for Creative Leadership).

❑ Purchase Order No. _____ (Must be accompanied by this form.)

❑ Charge my order, plus shipping, to my credit card:
❑ American Express ❑ Discover ❑ MasterCard ❑ VISA

ACCOUNT NUMBER: _____ EXPIRATION DATE: MO. ____ YR. ____

NAME OF ISSUING BANK: _____

SIGNATURE _____

❑ Please put me on your mailing list.

Publication • Center for Creative Leadership • P.O. Box 26300
Greensboro, NC 27438-6300
336-286-4480 • FAX 336-282-3284

6/99

Client Priority Code: R

BEST COPY AVAILABLE

fold here

PLACE
STAMP
HERE

CENTER FOR CREATIVE LEADERSHIP
PUBLICATION
P.O. Box 26300
Greensboro, NC 27438-6300

WORKFORCE REDUCTIONS

AN ANNOTATED BIBLIOGRAPHY

Organizations continue to restructure themselves to meet the competitive demands of a global economy. Because reductions in the workforce are typically a byproduct of those strategic realignments, and because such reductions seriously affect individuals and the company itself, they must be taken into account if reorganization efforts are to succeed. This publication brings together the prevailing thinking surrounding the issue of workforce reductions to help managers and executives ensure a successful transition to a more robust and effective organization.

The Author

Thomas A. Hickok holds a Doctor of Public Administration degree from the University of Southern California, and is currently a consultant to the U.S. Defense Intelligence Agency. As an adjunct research associate at the Center for Creative Leadership, Dr. Hickok worked closely with program researchers in analyzing extensive "before" and "after" interview data collected from participants in CCL's "Leading Downsized Organizations" program.

Center for
Creative Leadership
leadership. learning. life.

102